

Section II. The Neighborhood Developers Community Investment Plan

The Neighborhood Developers (TND) proposes to utilize a CITC allocation of \$150,000 per year for 2014 to 2016 to earn \$900,000 for use as a TND enterprise investment fund to make equity investments and to establish or strengthen infrastructure that provides a return on investment and/or that serves to significantly strengthen the impact of TND programming. In our CIP, we have outlined each of the organization's three principal lines of business that comprise our integrated neighborhood developer model. In addition to listing the goals, activities and impact for each principal program, we have identified four enterprise investment goals:

1. The CITC provides an opportunity to build TND's equity required for real estate development helping TND to both meet our mission and earn revenue.
2. As we develop our real estate pipeline, we will work to align our projects with resident and municipal priorities outlined in the Broadway Corridor and Shirley Avenue Action Plans. CITC resources will support Action Plan implementation by residents, TND and our municipal and non-profit partners leveraging significant public and private sector investment in housing, economic development, infrastructure and quality of life – the four key areas covered through participatory planning.
3. Over the last two years, TND has developed a donor base of 300 corporate sponsors and individual donors that have made gifts and sponsorships totaling \$275,000. We plan to utilize the CITC to further build and strengthen our corporate and individual donor base to diversify and strengthen philanthropic revenue.
4. With CONNECT, TND has played the role of lead agency, or quarterback, managing a collaboration of six institutions that delivers data-driven services to shared goals. The City of Chelsea has asked TND to quarterback an emerging cross-sector collaboration developed in response to the Boston Federal Reserve Bank's Working Cities Challenge. The Shurtleff/ Bellingham Great Neighborhoods Initiative seeks to build cross-sector civic infrastructure to address poverty, intergenerational educational attainment, civic engagement and housing conditions in Chelsea's poorest neighborhood. At the heart of the initiative is bringing residents to the table with civic, business, and non-profit leaders to discuss, determine and implement systems-changing solutions. The CITC will support TND to steward this initiative by establishing the infrastructure required to support multi-party data-driven programming to shared goals.

(i) Community or Constituency(ies) to be served by the organization

TND is committed to comprehensive, resident-led revitalization of low-and moderate-income neighborhoods in Chelsea and Revere. Within our two cities, our primary target neighborhoods are Shurtleff/Bellingham in Chelsea, and the Shirley Avenue neighborhood of Revere. (Maps are provided in the attachments.) These neighborhoods were hit hard by the foreclosure crisis and share a neighborhood typography of aging densely-sited triple deckers and multi-family buildings. In both cities, these neighborhoods fall outside of city norms. There is more crime (particularly in Chelsea), greater poverty, greater ethnic diversity, lower housing values, and lower educational attainment levels than in other city neighborhoods. Indicators of distress are evidenced by properties with deferred maintenance, over-crowded apartments, and weak real estate markets relative to their cities and the region.

Population & Demographic Characteristics

Chelsea and Revere are among the Commonwealth's Gateway cities. Shurtleff/ Bellingham, with 20% of the city's land mass, is home to 12,870 individuals representing 36% of Chelsea's population with 56% foreign-born residents. Shirley Avenue, home to 6,318 individuals, represents an eighth of Revere's population with 53% foreign-born. Educational attainment rates are low with 51% and 32% of adults without high school diplomas in our Chelsea and Revere neighborhoods respectively. Household incomes in these neighborhoods are low and poverty levels are high when compared to neighboring cities and the Commonwealth. Median income in Chelsea (\$43,919) is 82% of the City of Boston's Median Income (\$53,136) and is falling farther behind the region over time. Low income levels yield high poverty rates of 25% in Chelsea and 30% in Shurtleff/Bellingham. The Shirley Avenue neighborhood in Revere has a slightly higher median income (\$48,807) and a poverty rate of 26%; significantly higher than the overall poverty rate of the City of Revere (16%) or the Commonwealth (11%).

In chart form in the appendix, we present comparative population and demographic data. The major takeaways from this data are as follows:

- The demographic and income profiles of the residents in TND's two target neighborhoods are strikingly similar.
- Low educational attainment and weak English skills greatly impact constituent earning potential and is a contributing factor to poverty in our communities.
- Given our population, TND must tailor programming to the needs of new Americans.
- Crime curtails quality of life with crime rates in Chelsea well above those of Boston.
- Regardless of the current economy, unemployment in our target areas are a full 1-3 percentage points larger than the Commonwealth's and Boston's rates.

Housing Market & Housing Cost Burden Data:

The housing markets in Chelsea and Revere rise more slowly than the Boston metropolitan area and fall more quickly. The median sale price in Chelsea fell 31% from 2006 to 2012 compared to a 13% average drop across the state. In Revere, median sale price dropped by 29% during the same period. The entry level housing prices and immigrant population made our residents ripe targets for sub-prime mortgage schemes, and our housing stock is prey to speculative investors who fail to reinvest in the properties they purchase.

Nearly 50% of Revere's residents and 57% of Chelsea's residents are impacted by high rent or ownership cost burden. In May 2012, OKM Associates completed an *Impediments to Fair Housing Report* provides a summary of the severity of housing challenges faced by North Suburban Consortium (NSC) service area residents. On every indicator, Chelsea falls most outside of norms with the lowest homeownership rates, highest cost burden and greatest percentage of deed restricted affordable housing units. Note that this report shows that Revere has fallen below the Chapter 40B subsidized housing inventory 10% threshold.

From 2012 NSC Fair Housing Report	Chelsea	Revere	NSC Average
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% Living in Poverty	24%	11%	11%
Homeownership Rate by Unit	29%	48%	50%
Homeowner Cost Burden, under 65 years	55%	50%	42%
Renter Cost Burden, under 65 years	57%	50%	40%
% of Deed Restricted Housing Units	16.8%	8.2%	8.8%

Takeaways:

- Low-market rents are typically \$1500/month for a three bedroom apartment requiring annual incomes far above average median incomes. We conclude that overcrowding is an economic issue as families double-up.
- Due to a predominant housing type of triple-deckers, the majority of our constituents rent (81% in Shurtleff/ Bellingham). However, given our building type, owner occupancy of residential buildings is 54% in Shurtleff/Bellingham, on par with NSC averages.

(ii) Involvement of community residents and stakeholders

TND’s CIP was originally conceived and continues to evolve as a result of resident input. Throughout TND’s theory of change, governance structure and programming, we have established systems that solicit, build and encourage community and stakeholder engagement.

a) *TND’s Theory of Change encourages resident and stakeholder involvement:* For TND’s first 25 years, real estate development to revitalize distressed Chelsea neighborhoods was our primary line of business. As the result of a 2005 strategic planning process, the organization shifted its emphasis from building affordable housing to building vibrant neighborhoods by developing a vision and mission that supports a comprehensive resident-driven approach to our neighborhood revitalization efforts. Over the last eight years, TND has developed and refined our brand of neighborhood development and improved our understanding of our role in neighborhood revitalization activities. Community building and civic engagement work is critical to the success of our efforts as without an engaged citizenry, the entrenched social and economic issues that impact our distressed neighborhoods will remain. TND sponsors three integrated TND investment strategies to build great neighborhoods:

- **real estate development** to strengthen housing markets and to expand affordable housing inventory;
- **community engagement** to foster a resilient social fabric and civic infrastructure; and
- **financial capabilities** to increase resident prosperity, delivered in collaboration with our CONNECT partners.

b) *Membership and organizational structures encourage resident and stakeholder engagement into critical agency programs and strategic directions and provide an array of leadership roles and opportunities for involvement.*

- TND is governed by a Board of Directors comprised of a majority of Chelsea and Revere residents and those with professional expertise that contribute to our work. Board members are elected at our annual meeting by our members. The Board, through periodic strategic planning, sets the vision, mission and strategic directions for the

agency and provides oversight of key administrative functions and program direction. Board committees are established for each program area and are open to both Board and non-board members to facilitate input into program decision making from residents and other stakeholders. It is at the Board Committee level, that annual programmatic goals are set and outcomes are evaluated prior to full Board review and approval.

- In 2012, TND launched a membership drive to further build our capacity to engage community residents and stakeholders in the work of the organization; 806 have newly enrolled as TND members. Among TND's membership benefits is an opportunity to create change in one's neighborhood and to be a leader at TND and in the civic life of the community.
- TND's Community Engagement program staffs two key volunteer committees – the Revere Community Committee and the Chelsea Community Enhancement Team with 96 participants that attended 14 meetings during 2013. Their charge is to work with TND to build leadership capacity among neighborhood stakeholders, and to identify resident priorities for improvements in their neighborhood and strategies to address them. Board representatives sit on these committees and new Board members are often drawn from these committees.

c) *Participatory neighborhood planning is a third strategy for soliciting broad community engagement in TND's community investment plan.* Periodically, as co-sponsors, TND and municipal leaders engage our members and other key community stakeholders in participatory neighborhood planning. These are significant planning efforts that allow for thoughtful discussion and meaningful dialog between residents, city officials, local business owners, and other stakeholders. For many of our resident leaders, this planning provides a first opportunity to engage with city officials around neighborhood revitalization issues. Through planning, community issues are identified and prioritized and then potential solutions are crafted. Our practice is to conclude a planning process by creating a written Action Plan that outlines specific action items that each of the planning partners commits to fulfill. TND first deployed this approach in 2009 engaging 110 residents and stakeholders. Since the North Bellingham Hill Action Plan's completion, \$15 million has been leveraged in public and private sector investment in neighborhood physical, social and economic conditions that are directly aligned with resident priorities including parking, open space, speeding traffic, substandard buildings, safety and trash. In 2013, TND is co-sponsoring planning in Revere for the first time and conducting phase two in Chelsea. Across the two cities, 241 unduplicated neighborhood residents and stakeholders have joined 18 planning meetings, participatory charrettes and task forces focusing on Quality of Life, Housing, Economic Development and Infrastructure. Planning in each city will in early 2014; Action Plan implementation will occur over the next three to five years and is a central component of TND's CIP.

d) *Mechanisms for measuring progress are built into TND's annual work cycle and at the conclusion of participatory planning, codified in a signed Action Plan.* TND's Board Committees and the Board have quarterly and annual cycles for organizational performance

evaluation. Quarterly, staff report on outputs against annual goals; annually staff report on the year's outcomes against multi-year strategic plan outcomes. Each department has a schedule for Board presentation of program evaluation results.

For Action Plans that rely on many stakeholders for implementation (and that are the result of neighborhood planning), the final planning product includes concrete action steps and who has agreed to manage the work. Quarterly meetings are held with the key stakeholders (municipal leaders, key non-profits, resident associations, e.g.) to align activities and larger public meetings are held to celebrate success and review implementation steps.

iii. Community Investment Plan Goals

Based on our Theory of Change, TND's CIP supports attainment of the following goals:

- a) **REAL ESTATE DEVELOPMENT** to strengthen housing markets and to expand affordable housing inventory; TND will complete a minimum of 90 mixed-income units during 2014-2017 and will maintain a strong housing and commercial development pipeline.

TND employs real estate strategies based on our analysis of market conditions and opportunities. In distressed neighborhoods, TND develops affordable and mixed-income housing, amenities and infrastructure to improve housing conditions and build healthier market dynamics. In stronger neighborhoods, we develop affordable housing to expand housing choice. TND properties contribute to sustainable communities: environmentally green, financially sound, and socially engaged – designed to encourage people to connect both within the property and to the surrounding area.

- b) **COMMUNITY ENGAGEMENT** to foster a resilient social fabric and civic infrastructure, annually, TND will engage 1000 residents in community building and 250 as activated citizens working to implement and advocate for improvements to housing, quality of life, infrastructure and economic development as outlined in the Shirley Avenue and Broadway Action Plans and as part of the S/B Great Neighborhoods Initiative.

TND fosters relationships and leadership, as they are the underpinnings of productive social networks and organizations. Community organizing and neighborhood planning align community services and resources with community priorities to improve the quality of life for families and the community as a whole.

- c) **FINANCIAL CAPABILITIES** to increase family prosperity, delivered in collaboration with our CONNECT partners. Annually, CONNECT assists 4000 low-income individuals to pursue a pathway out of poverty.

Beginning in 2012, TND and five partners launched CONNECT an innovative systems-changing collaboration. The six CONNECT partners – Bunker Hill Community College, Metro Credit Union, Centro Latino, Massachusetts Boston Housing Partnership, Career Source and TND - are co-locating and bundling services, so that our clients can make greater economic

gains and the service delivery system can achieve greater efficiencies. At the CONNECT launch, Joanne Goldstein, the Massachusetts Secretary of Labor and Workforce Development, said that collaborative efforts are “the direction we all need to go in” noting that “single stand alone programs can’t move a family out of poverty.”

The CONNECT partners have signed and implemented a MOU that outlines a governance structure, accountability mechanisms, and the services that each partner delivers. As the founder and sole operational partner of CONNECT, TND serves as the quarterback agency providing the “glue” required to support collaborative programming to shared goals. The program operates out of TND’s headquarters. During 2013, TND completed a significant renovation and expansion of our office to accommodate the new CONNECT Center.

CIP Benefits to LMI Residents:

a) Benefits of TND’s Real Estate Development Production:

TND’s affordable housing investments result in stable homes that provide a foundation for our residents to succeed at school, at work and in the community. Through our housing production, we are successfully rebuilding neighborhoods long challenged by high rates of poverty, crime and disinvestment and that were deeply impacted by foreclosure to provide safe, healthy and affordable homes for low-income individuals and families.

TND’s 302 apartments affordably house a very low income population. Across our portfolio, 47% of residents are at risk of homelessness as they earn less than 30% of AMI. In total, 98% of our residents earn 60% or less of AMI.

TND employs durable and environmentally sustainable building practices that meet ENERGY STAR, LEED, Healthy Homes, and Enterprise Green Communities standards. Sustainably built affordable housing accrues its greatest impact through its years of use following construction. Our energy efficient properties put money directly in the pockets of tenants who pay their own electric utilities.

TND’s high-quality apartments and the green living environments benefit tenant health. Our tenants are less likely to suffer from common illnesses associated with poor-quality and unhealthy homes including asthma, allergies or lead poisoning.

Well built and maintained housing encourages longer tenancies, decreasing overall turnover. Not only does this provide financial stability to our organization, but it also creates long-term residents of neighborhoods. One of the most positive benefits related to longer residency is the impact on child education. Former TND Board Member Mary Bourque, Superintendent of the Chelsea Public Schools, completed her dissertation on the impact of student mobility on achievement. Her research shows that mobile students score substantially lower on achievement tests and that just one additional year of stable school enrollment has a significant positive impact on a child’s education.

The family’s neighborhood directly impacts quality of life. The impacts of our

redevelopment work are physical and social changes including greater perceptions of public safety, spillover investments into abutting properties, new city-funded public park development and infrastructure improvements, a stronger housing market and greater involvement by community residents in improvement projects. TND survey respondents report high levels of satisfaction with physical and social conditions in the Box District a neighborhood transformed by TND's work.

b) *Benefits of TND's Community Engagement Programming*

TND's community building programming successfully fosters beneficial relationships between neighbors. The results of three resident surveys that canvassed 635 individuals illustrate that survey respondents who participated in TND's NeighborCircles were far more likely to report evidence of social capital than neighbors who did not participate in Circles: 70% of survey respondents who had participated in a NeighborCircle spoke with four or more neighbors for five+ minutes versus 20% of survey respondents in Shurtleff Bellingham and 31% in Shirley Avenue who had not participated in Circles. More than 40% of Circle participants reported having four or more neighbors they could turn to in an emergency versus 12% of survey respondents in Shurtleff/Bellingham and 22% in Revere.

Residents who develop their leadership skills and become activated citizens benefit from having a voice in the decisions that impact their families and community, specifically as it relates to issues of housing and community development, economic security and quality of life. Chelsea City Manager Jay Ash often references the North Bellingham Hill Action Plan as a process and product that informed his understanding of the benefits of engaging community residents in city resource allocation and policy change. The City now holds "listening sessions" so that the public can weigh in on significant community issues. Recent city-led forums have addressed trash, traffic, safety, public health, the quality of downtown, and casinos. In Revere, The Ward 2 Task Force of the TND Revere Community Committee approached their Mayor and secured his commitment for the Shirley Avenue community planning process. Our leaders view the city's pursuit of casino development as a leverage point that can be used to advocate for equitable resource deployment in their neighborhood, Revere's poorest.

Many studies have shown that the outcomes of TND's Community Engagement programming -- social capital, social networks and activated citizens -- are crucial for positive community outcomes impacting health, community economic resiliency, and youth educational outcomes.

c) *Benefits of CONNECT's family prosperity programming:*

CONNECT offers low and moderate income families access to bundled services in one convenient location, thus delivering measurably greater economic gains, as demonstrated by national research and CONNECT's own results. Clients served by the six partners complete a common intake and screening process and meet with a "Connector" who assists individuals to tap into the range of services available at CONNECT. Additionally, clients can meet one-on-one with a coach who employs a coaching methodology of short and long-term goal setting, and

who helps clients to stay on track as new challenges are tackled. Peer support groups called Success Teams are managed as a vehicle to build social networks, and to further support goal persistence and obtainment of economic milestones. Clients benefit from new employment, educational attainment, net income and net worth gains, and stronger credit scores.

(iv) Activities to be undertaken

a) REAL ESTATE DEVELOPMENT:

- TND expects to complete construction of 90 affordable apartments during 2014 to 2017; these completed units will increase our portfolio by 30% to 389 affordable rental apartments thus meeting our goal of expanding affordable housing inventory. Three projects are fully permitted and financed and will soon begin construction to preserve or create 47 affordable units; 17 of these units will provide permanent supportive housing for homeless families and individuals (with a preference for veterans). Two additional properties in pre-development will provide 43 apartments for seniors and pregnant and parenting teens.
- With 100% affordable rental housing as a platform for our work, TND is looking to diversify our housing financing strategies and housing products as we build our pipeline. We are testing the feasibility of mixed-income development as a strategy to address external challenges associated with securing subsidies, while providing a new opportunity to expand our affordable housing products and revenue. Mixed-income development requires investors or partners for execution and will make new demands on TND's financial strength, requiring managing for both liquidity and net worth, and maintaining excellent cash flow projections. **The CITC provides an opportunity to build the equity required for real estate production strategies.**
- **As we develop our real estate pipeline, we will work to advance projects that align with resident and municipal priorities outlined in the Broadway Corridor and Shirley Avenue Action Plans.** Both cities seek to create conditions that encourage healthy commercial and mixed-income development with the assurance that affordable housing remains available through the creation of deed restricted housing. Within and around the target areas, TND has identified investment opportunities for mixed-income transit-oriented residential and commercial development that hold promise for development of 100 to 175 residential units.

b) COMMUNITY ENGAGEMENT:

- Support our goal of building person-to-person and people-to-place relationships by engaging 1000 annually in neighborhood community building activities.
- Support our goal of strong resident leadership by providing leadership training for 120 existing and emerging resident leaders and by providing leadership opportunities.
- Encourage civic engagement by providing opportunities for a minimum of 250 residents to annually contribute to **Shirley Avenue and Broadway Corridor Action Plan implementation; community accountability sessions will be managed through the Community Engagement program.**
- In response to the Boston Federal Reserve Bank's Working Cities Challenge, TND is engaged in a new multi-party collaboration in Chelsea called the Shurtleff / Bellingham Great

Neighborhood Initiative for which we have been invited to play a second quarterback role (as with CONNECT). This initiative represents an evolution of our community planning processes by expanding the stakeholders engaged in problem solving, pooling and targeting resources, and engaging in data-driven service delivery coordinated by TND as the quarterback agency. Our partners in this project are 15 of Chelsea's resident associations and private and public sector institutions led by the City Manager Jay Ash, TND, Roca and the Chelsea Public School Superintendent. Together, we believe we can move the dial on critical indicators of poverty and neighborhood conditions. **The CITC will provide critical resources to help TND further develop our role as a quarterback fostering multi-party collaboration to achieve deeper levels of cross-sector problem solving, and it will support greater civic engagement by residents working with civic, non-profit and business leaders – a key community engagement and organizational goal.**

c) *RESIDENT PROSPERITY VIA CONNECT:*

- Annually, 4,000 low- and moderate-income individuals utilize services at CONNECT to improve family financial stability. As the CONNECT quarterback, TND manages administrative, governance, program coordination, data collection and evaluation services providing the “glue” that allows for data-driven cross-agency service integration to shared goals. The partner's executive leaders meet monthly to provide program oversight and front line employees meet every week to coordinate client flow and service integration. It is through these cross-team forums that goals are set and refined based on what our data tells us is working and not yet working. Since we know that greater client utilization of services leads to stronger client outcomes, the focus is to dig deeper to tighten client flow and service delivery systems to link 1000 annually to bundled services.
- TND manages financial capabilities services at CONNECT including one-on-one financial coaching, peer support programming where coaching methods are applied in a group setting, benefits screening, free tax preparation and financial education classes. Participants may engage in any one of these programs or cross-utilize any combination of them.
- Over the last two years, TND has developed a donor base of 300 corporate sponsors and individual donors that have made gifts totaling \$275,000 to TND and CONNECT. **We plan to utilize the CITC to further leverage unrestricted program income.**

(v) How success will be measured/evaluated

TND nurtures a commitment to data-driven impact. We collect data and conduct evaluations to learn what is working, make refinements, and if necessary redirect resources. TND's evaluation system operates on two levels. Quarterly, the organization takes stock of its outputs utilizing Salesforce (an online database) to track participation by clients and members at every service, meeting or event. This enables TND to accurately track unique and aggregate participation. As use of our on-line database has continued to develop and become a daily part of work flow, current data is available to program staff and managers.

On behalf of CONENCT, TND expanded upon our own database to incorporate CONNECT service delivery activity by TND and our CONNECT partners. Each of the six partners manages their own databases where their client engagement activity is tracked. On behalf of CONNECT, TND

manages a centralized customized database that allows for uploading and downloading of data from each of the respective partner databases so that client demographic information, service delivery, and client outcomes can be synthesized. Every service -- coaching, employment counseling or GED classes for example -- is logged in the CONNECT database. Dashboards and reports synthesize data to be used as program delivery and management tools.

Every TND department has a schedule for completing community level outcome measurements. The tools TND and CONNECT use to measure community impact include participant outcome data, surveys, focus groups and data worksheets; some data is measured over time, while others are snapshots. For example, during 2013, TND repeated a Resident Satisfaction Survey first completed in Chelsea in 2009 (700 respondents) to evaluate if TND's multifaceted investments in social, physical and economic infrastructure are achieving our intended impacts. The survey captures data on evidence of social capital, and opinions of neighborhood conditions and efficacy. Baseline data for Revere was collected in 2012 with 240 surveys completed.

For CONNECT, TND has secured US Department of Labor funding that provides \$600,000 for third-party program evaluation for the period of 2013 to 2015. We have hired Mt. Auburn Associates who is managing an evaluation plan focusing on two areas of research. First, we will examine the catalytic factors that contribute to effective multi-party service delivery integration. Second the evaluation will seek to determine the relationship between the type and density of services and client specific outcomes. The centralized CONNECT database allows CONNECT to track client service utilization and progress made against these client outcomes:

- increases to net income and to net worth;
- changes in employment and/or new employment retention;
- improvements to credit scores;
- evidence of increased housing stabilization for formerly homeless households; and
- attainment of English language proficiency, a GED, post-secondary certificate or degree.

(vi) Collaborative efforts to support implementation

Given the complex and interwoven people and place-based issues that TND's community revitalization work is tackling – poverty, poor housing conditions, and negative neighborhood conditions and behavioral norms that impact quality of life – we are committed to integrative people- and place-based strategies that work across sectors and silos to create vibrantly healthy dynamic communities. We have learned that siloed responses to problems are not sufficient, and so, in an effort to develop more holistic solutions that might truly have impact, we are engaged in collaborations such as the CONNECT program and the S/B Great Neighborhoods Initiative. This approach is supported by research sponsored by the Federal Reserve Bank of San Francisco discussed at length in the book “Investing in What Works for America's Communities: Essays on People, Place and Purpose.” The book's core message is a call to action for community developers to adopt cross-sector data-driven strategies.

In response to this challenge and whenever feasible, TND fosters partnerships, collaboration and a shared commitment to working together that allows each party to bring their expertise

and resources to problem solving and neighborhood revitalization. We often serve as the catalyzing agent, bringing parties together to address community issues. CONNECT is one example of how we have employed this partnership approach to deepen the impact of our programming; the emerging S/B Great Neighborhood Initiative is a second example. In these collaborations, each partner brings their own financial resources to program delivery while TND and our partners seeks additional funding to underwrite the “glue” that is required for cross-agency program management. We have deployed this approach to great success with CONNECT with a \$3 million three-year grant secured for 2013 to 2015, and we are currently working to secure funding for the S/B Initiative (we have applied to the Boston Federal Reserve for Working Cities Challenge funding).

Another example of our partnership approach is Chelsea’s Box District. Since 2005, TND, the City of Chelsea, Mitchell Properties and residents have collaborated in the phased transformative revitalization of a formerly moribund industrial area into a vibrant mixed-income residential neighborhood. Named for the area’s former box manufacturers, the Box District has benefitted from public, private and non-profit development leveraged by the partners of over \$73 million. The result: a highly desirable mixed income residential neighborhood with a new public park, infrastructure improvements to sewers and streets, and 164 completed homes and 96 in development. The Box District abuts a former rail line, which is a proposed location for a green reserve with walking and biking trails and for the expansion of the metro region’s rapid transit Silver Line. As TND seeks to build our real estate pipeline, we will leverage the success of the Box District to establish new mutually beneficial partnerships that result in real estate development.

(vii) Integration of activities/consistency with community strategy and vision

a) Description of the interaction and interrelationship of Plan activities to be undertaken

TND’s vision is that great neighborhoods empower people to grow and prosper. With this as our vision, we focus on investments that are grounded in neighborhoods, that foster relationships among people and community institutions, and that generate resources to support resident prosperity and community revitalization. These three inter-related investment strategies (focusing on people, place and resources) are at the core of what we manage as an organization.

The problems that are addressed by TND’s community investments are neighborhood manifestations of poverty and economic disparities. Crime curtails the use of public space, harms the housing market, and negatively impacts the quality of life of law-abiding residents. Street trash contributes to crime and disinvestment. The lack of outdoor recreational space curtails children’s play. Poor housing conditions and overcrowded apartments impact the housing market and the health and educational outcomes of the neighborhood’s children. These are all big issues, yet they can be incrementally addressed by an integrated work plan that involves residents working in partnership with city officials and community organizations.

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

In Chelsea: Sections of Chelsea are recovering economically, such as the Everett Avenue Urban

Renewal District that features a flagship Market Basket, a new Starbucks, many big box stores, two new hotels with a third planned, and a new FBI facility. Unfortunately, downtown Chelsea is not participating in the economic recovery at the same rate and is at risk as retail stores relocate to the Urban Renewal District. The downtown offers mixed-use properties and is surrounded by the city's most densely populated residential neighborhoods with thousands living within walking distance. The challenges facing downtown include revitalizing substandard properties, addressing social issues (substance abuse, prostitution and drug trafficking) that impact the perceptions of safety, and to envision changes to amenities that make the downtown a welcoming destination for area residents. The next significant challenges facing Chelsea are repositioning downtown, addressing the strength and mix of the downtown corridor's businesses and mixed-use properties, addressing crime, and improving neighborhood conditions in its poorest neighborhood - Shurtleff/ Bellingham. TND's CIP is directly aligned with the City's vision for a stronger Chelsea.

In Revere: The Shirley Avenue neighborhood, Revere's poorest neighborhood, is cradled between major housing and economic development projects. These include Suffolk Downs, the former Wonderland Dog Track, and the Wonderland / Waterfront Square mixed-use transit-oriented development project. Each of these high-profile development opportunities will benefit from significant public and private sector investment. TND and its local partners seek to expand on existing development plans within the community and to extend opportunity and economic growth to the Shirley Avenue neighborhood. Within the target area, TND has identified six major investment opportunities that hold promise for mixed-income transit-oriented residential and commercial development. From among these six locations, we expect to develop 100 to 175 mixed-income residential units and we are collaborating on these plans with city officials.

c) How is the Plan is consistent with other neighborhood, community or regional plans?

In both Chelsea and Revere, TND aligns our development strategies with the municipal planning efforts. In each instance, the goal has been to tailor physical revitalization strategies based on community input paired with evidence of needs and market opportunities.

In Chelsea: TND and the City of Chelsea have partnered on four planning initiatives including the city's 2009 GPAG Plan for Addison Orange, the 2009 North Bellingham Hill Action Plan (co-sponsored with TND), the phased redevelopment of the Box District (started in 2005 managed jointly with TND), and revitalization of Chelsea's mixed use downtown Broadway Corridor (currently in process to be completed in early 2014). The current Broadway target area is adjacent to and encompasses a portion of the Box District and North Bellingham Hill planning areas and will further the mixed-income residential development of these two areas, particularly the Box District focusing on the St. Rose property on Broadway and improvements to support a vital downtown. The Broadway Corridor ties together areas that have benefitted from public and private investments in community stabilization and revitalization, while supporting the historic downtown's economic vitality. Chelsea's downtown is an active commercial district with many small businesses, however, the recession has impacted the downtown with properties visibly in decline and social issues (drug trafficking and prostitution)

in evidence after dark. The emerging Everett Avenue Urban Renewal District with its many big box stores provides a high-quality retail experience for Chelsea residents. However, this district threatens downtown's commercial vitality. The planning process pro-actively seeks to encourage the transition of Chelsea's downtown into a vibrant mixed-use commercial and residential area.

During the summer of 2013, TND partnered with the City of Chelsea and other leading public and private sector institutions in Chelsea to develop a new cross-sector planning effort for Shurtleff/Bellingham, Chelsea's poorest neighborhood. This effort, known as the Shurtleff/Bellingham Great Neighborhoods Initiative represents an evolution of TND and City planning efforts bringing more cross-sector parties to the planning table. TND has been asked to play the role of the lead agency for the project.

In Revere: Two participatory planning efforts conducted in 2009 and 2013-14 target the Shirley Avenue neighborhood. The 2009 Shirley Avenue Neighborhood Gateway Initiative provided an opportunity for the City to engage a broad range of neighborhood stakeholders in investigating needs and developing improvement plans focusing on three areas of need: economic development and jobs; housing and homelessness; and physical infrastructure and connections, including streets, sidewalks and open space. The 2009 planning effort served as an effective guide to city planners and TND as TND began its affordable housing development activities in the neighborhood. The 2013-14 Shirley Avenue planning process is building on 2009's effort and is focused on Economic Development, Quality of Life, Infrastructure and Housing. The planning process will support City and TND Fair Housing goals by identifying priority properties that are appropriate for mixed-income housing development thus improving housing quality, supply and diversity of housing types and housing choice. The state-assisted Revere Housing Authority units that are in serious disrepair are within the planning area and will be considered as part of the planning process.

(viii) Financing strategy

a) Describe financial implementation of the Plan's activities and identify the level of commitment of other funding sources to implement the Plan.

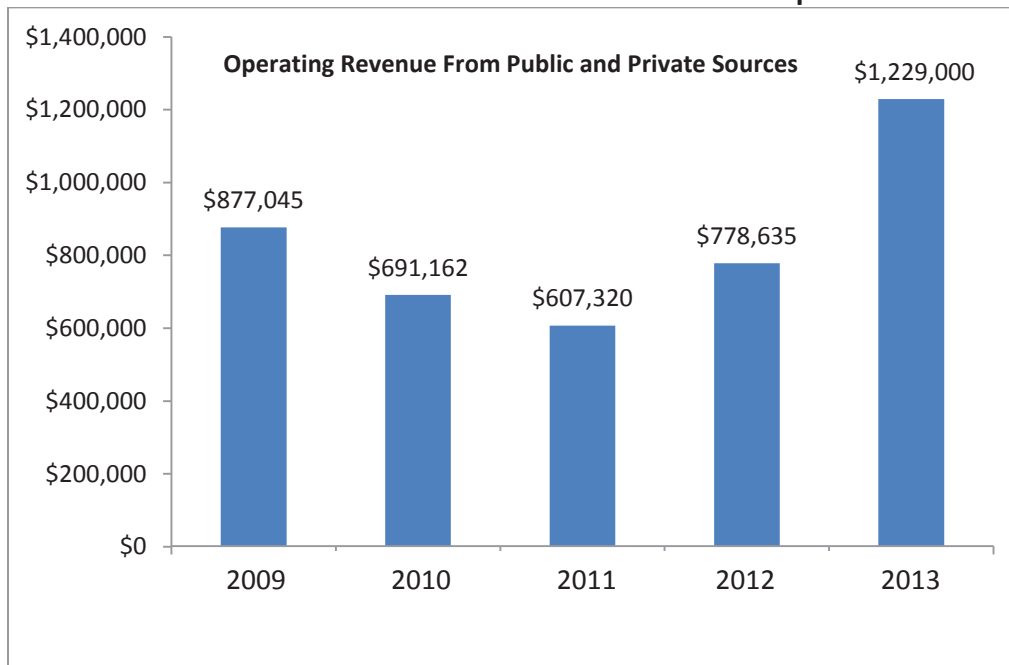
TND will finance our CIP with new revenue generated through Community Investment Tax Credits (a key organizational capacity building goal) and with our traditional sources of revenue. In the attachments, we include a budget summary for 2014-2016 that shows the projected revenue utilized by TND to finance implementation of our Plan. In addition to the sources identified below, significant leveraged public and private sector investment for affordable housing development will support real estate development production.

TND's organizational operating resources are now earned from three primary areas:

1. Grant, contract and contribution revenues.
2. Earned revenue from real estate development;
3. Other earned revenue from rental property income, sub-lease income, and collected revenue from LIHTC properties that provide cash flow; and

Philanthropic Revenue: TND’s fundraising team has raised \$600,000 to \$1,229,000 over each of the last five years for agency operations; additional grant and contribution revenue has supported capital projects with a total of \$1.4 million raised in 2012 and \$1.7 million raised in 2013. The agency has already secured \$930,000 of grant, contract and contribution revenue for expenditure in 2014.

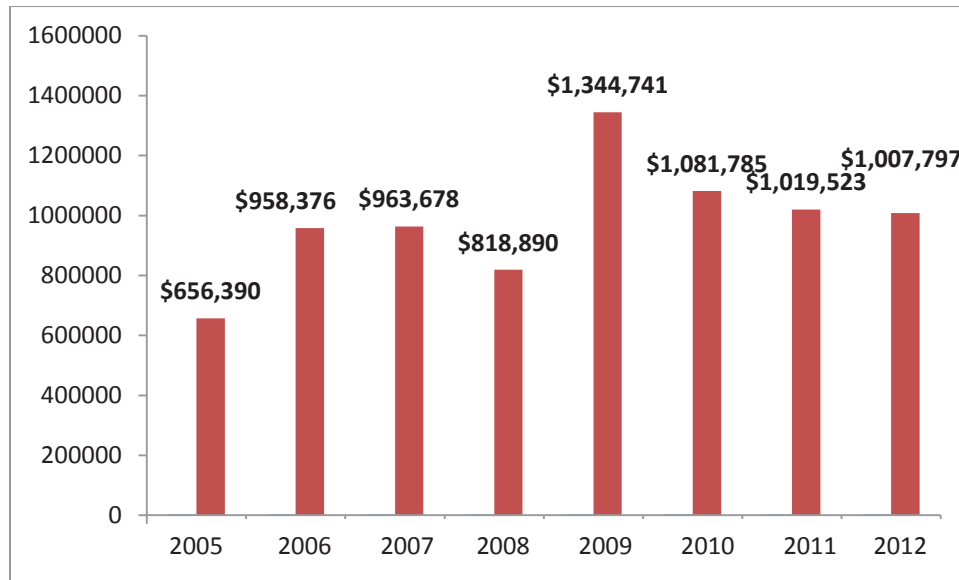
Public and Private Revenue 2009 to 2013 for TND Operations



Up to 2010, nearly 100% of TND philanthropic revenue was from corporate and foundation grants and government contracts. In the last three years we have deployed new-to-TND fundraising strategies including Annual Appeals, corporate sponsorships and fundraising events raising \$275,000 from 300 donors. Additionally, we have launched our first leadership campaign to solicit \$1 million of capital to support CONNECT’s facility and programming. This work has allowed TND to test new fundraising strategies and to position the organization for CITC investment. To further build our capacity for this work, TND will soon complete a hiring process for an Associate Director of Resource Development to manage corporate and individual solicitation strategies. Assuming that we receive a CITC tax credit investment award, we will market the tax credits to private sector institutions and individuals. **Included in the attachments are revenue projections showing traditional sources of philanthropic revenue and new revenue raised through the CITC.**

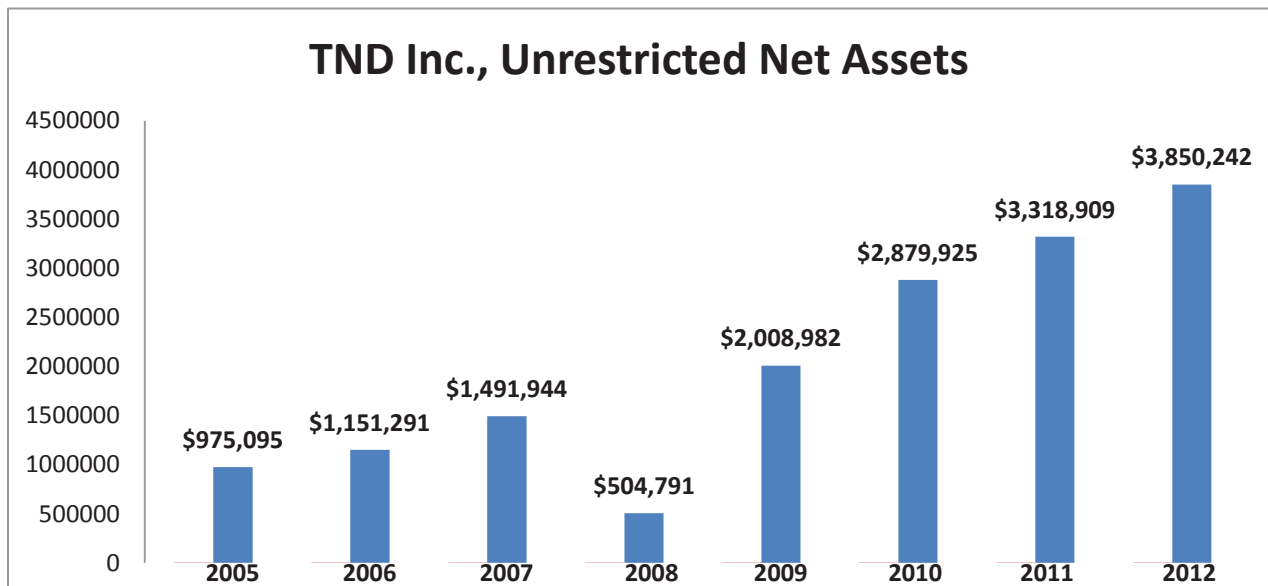
Earned Revenue: Since 2006, TND has invested \$87 million in affordable housing production increasing our portfolio by 175% from 110 to 302 apartments. Averaged across the last five years, we have completed 32 for-sale homes or rental apartments per year. As a result of real estate production, earned revenue in the range of \$1 million / year supports agency operations. The chart below shows real estate earned revenue since 2005. TND anticipates earning \$1.2 million in developer fees and overhead for 2014.

TND REVENUE FROM REAL ESTATE DEVELOPMENT



From 2005 to 2012, the organization’s unrestricted net assets more than doubled (an increase of 294%) from \$975,095 to \$3,850,242. TND carefully monitors its financial ratios and performs at or above industry standards; outside evaluators (including our investors and lenders and key funders) have concluded that TND is in a strong financial position. As the credit markets became tighter during the recession, TND learned that it must continue to increase our net worth to continue to attract Low Income Housing Tax Credit investors, which provide critical subsidy funding for our real estate projects.

TND Inc., Unrestricted Net Assets



From 2005 to 2012, the organization’s unrestricted net assets grew 294%

(ix) History, Track Record & Sustainable Development

a) *TND's history of past practices and approaches to the proposed activities in the Plan.*

REAL ESTATE DEVELOPMENT: TND completed seven real estate projects during the last five years leveraging \$67 million to produce 222 ownership and rental units and increasing our portfolio to 302 quality apartments to affordably house low and moderate income households. Averaged across the last five years, we have completed 32 for-sale homes or rental apartments per year demonstrating TND's capacity and skill as a non-profit affordable housing developer. We measure our housing outcomes through tenant surveys and property management data to determine if our residents are satisfied with property conditions. Unit turnover and vacancy rates are consistently performing at optimal levels; the average resident tenure is 3.3 years even though 40% of our portfolio came on line during the last four years. TND is housing a vulnerable population, with 47% of residents at risk of homelessness (as they earn less than 30% AMI) and 98% earning less than 60% AMI.

COMMUNITY ENGAGEMENT: In 2013, 110 key leaders and staff mobilized 1546 unique individuals to join community building and civic engagement activities with 3,362 as the sum of attendance across all activities. Civic engagement activities (neighborhood planning or design meetings, meetings with city officials or law enforcement, or Community Committee meetings) involved 829 residents in aggregate.

The need for new or improved city parks are widely articulated resident priorities; in 2012 two parks were completed, one in each city. In Chelsea, the City invested \$750,000 (TND made a \$22,000 contribution) in the new Box District Park; the park is gorgeous. It is now a well utilized play area and social gathering spot and has contributed great outdoor play space in a dense neighborhood. In Revere, TND, KaBOOM!, JetBlue and the City of Revere invested \$220,000 (of which TND invested \$97,000) to rebuild Costa Park during two fun-filled "playground raising days" with more than 200 community and corporate volunteers participating in park planning and construction. Residents continue to steward park management.

In 2009, 110 community stakeholders representing residents, TND, law enforcement and the City of Chelsea came together to craft the North Bellingham Hill Action Plan. In the following three years, more than \$15 million was invested in improvements and services. The diversity of investments illustrate the significant range of leverage to come out of our community planning and they reflect the most pressing concerns raised by residents (crime, trash, parking, speeding traffic, lack of safe places for children to play, and the impact of vacant foreclosed properties). Investments include:

- \$30,000 spent by the City on a traffic calming study; \$180,000 expended to install new traffic calming measures along Grove;
- \$30,000 invested by the Police in new security cameras; resources redeployed to support impact policing;
- \$750,000 invested by the City and TND to build the Box District Park;
- The city initiated targeted code enforcement issuing more than 100 property and quality of life citations;
- \$9.8 M invested by TND in the rehab of 15 distressed properties;

- \$10.5 M invested by TND in new construction; \$21M by for-profit partner.
- \$30,000 spent by TND to improve facades of properties neighboring those benefitting from NSP investment;
- \$4M in new services and programming space invested by TND and five partners to support CONNECT.

FINANCIAL CAPABILITIES DELIVERED THROUGH CONNECT:

CONNECT is on track to serve 4,000 this year; results through 9/30/13:

<u>SERVICE</u>	<u># SERVED</u>
Employment services	1470
Financial education and services	1228
Income and Housing Stabilization	163
Skill development	167

Our coaching program data illustrates a direct correlation between a coached client’s density of service utilization and their economic outcomes. Of 255 coached clients during 2012-2013, 53% have accessed bundled services by utilizing coaching plus at least one other CONNECT service. As illustrated in the chart below, of those that are bundling three or more services, 77% are achieving one or more major economic milestone. In comparison, of those who are only accessing coaching just 14% achieved a major milestone.

255 coached clients served 1/1/12 to 10/31/13

# of services accessed/client	# of clients	% of clients	# that achieved major milestone	% that achieved major milestone
1 service	117	47%	16	14%
2 services	111	44%	51	46%
3 or more services	23	9%	17	77%

Major Outcomes	1 Service	2 Services	3 or more Services
Increases to Net Income	11%	33%	46%
Increases to Net Worth	11%	22%	23%
Improved Credit Score	2%	5%	23%
New Employment Retention for 90+ days	0%	19%	54%

b) Description of Plan consistency with Sustainable Development Principles

TND increases the inventory of affordable homes built to environmentally sustainable standards and that contribute to family stability and neighborhood revitalization. Through our housing production, we are successfully rebuilding neighborhoods impacted by foreclosure and providing safe, healthy and affordable homes for low-income individuals and families. TND’s real estate development strategies are consistent with the Commonwealth’s Sustainable Development Principles as follows.

1. **Concentrate Development and Mix Uses:** Our projects provide concentrated development in smart growth, mixed-use neighborhoods, reuse existing infrastructure, and connect

residents with metro employment centers and local amenities.

2. **Advance Equity:** TND's projects focus on resident-centered housing development and advancing equity in our target communities. Decisions about design are strongly influenced by the input of TND residents, our management agent, and community stakeholders.
3. **Protect Land and Ecosystems, Promote Clean Energy & Use Natural Resources Wisely:** TND's development projects protect environmentally sensitive land and ecosystems through the clean-up of Brownfields, reuse of existing buildings, redevelopment of infill parcels of land to create neighborhoods that are more than 45 units/acre, reuse of existing infrastructure, and promoting green design principles in each of the projects. Each of our projects pursues certification under LEED, Energy Star, or Enterprise Green Communities programs, extending our commitment to the environment through the life of the buildings. For example, efficient building envelopes and mechanical systems reduce the need for and minimize energy consumption associated with heating and cooling. Environmentally sensitive landscaping is employed including native, drought-tolerant, and non-invasive species, enhancing resident enjoyment of the property and contributing to neighborhood beautification.
4. **Expand Housing Opportunities:** This goal is central to our mission and our CIP; TND and our partners seek to complete 185 mixed-income units, build our pipeline and increase the number of units in our portfolio.
5. **Provide Transportation Choice:** Our properties are part of mixed-use, transit-oriented neighborhoods, with ample access to public transit, reducing residents' dependence on automobiles. Using public transportation, Chelsea and Revere residents can be in downtown Boston within 15 minutes.
6. **Increase Job and Business Opportunities:** Through our real estate development activity, 45 construction jobs are created for every \$10 million leveraged. Additionally, tenant purchasing power supports the local economy as goods and services are purchased.
7. **Plan Regionally:** The real estate activities managed through our CIP concentrate growth in inner-ring and mixed-use neighborhoods, with existing physical and social infrastructure ready to accommodate the development. This strengthens the region by creating affordable housing close to major transportation networks and major employment centers. TND, in conjunction with the City of Chelsea, the City of Revere, private developers, and local residents, has undertaken comprehensive planning efforts, and supports residential and economic development activity.