

**EXHIBIT 2**  
**THE NEIGHBORHOOD DEVELOPERS**  
**2017-2019 COMMUNITY INVESTMENT PLAN**

The Neighborhood Developers (TND) proposes to utilize CITCs to generate revenue to achieve strategic organizational growth goals that establish or strengthen mission-driven 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 the following growth goals:

1. The CITCs provides an opportunity to further build the depth and breadth of TND's individual and corporate donor base. Over the last three years, TND's non-grant revenue has increased by 258% over baseline to raise a total of \$928,000, of which 91.5% was raised with CITC support. TND plans to further build its fundraising capacity during 2017-2019.
2. CITC revenue will underwrite a geographic expansion of real estate production into Everett and/or other nearby cities without strong affordable housing non-profit.
3. With CITC support, CONNECT will pilot a satellite site in Revere bringing employment and financial capability services into the city.
4. CITC support will assist TND to steward Chelsea Thrives, a cross-sector multi-faceted initiative that is reducing crime and improving perceptions of safety in Chelsea by 30% over a ten-year period. Thrives is now a mid-stage collective impact initiative that has aligned many municipal, non-profit and community-based resources and changed systems in support of safety.
5. In mid-2016 TND launched a new in-house Resident Services program to leverage the value of an affordable home on family outcomes. By 2017, Resident Services programming will link 30% of TND tenants to Community Engagement or CONNECT's economic opportunity programming.

**SECTION 1 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 to benefit low-and moderate-income individuals and families. During this CIP period, TND anticipates expanding our geographic footprint into Everett and/ or other nearby cities that are underserved by a non-profit affordable housing developer. Currently, TND's 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 that has a violent crime index that is among the highest in the state (Uniform Crime Index, 2016), 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, higher vacancy rates, and weaker real estate values relative to their cities and the region.

### ***a) Population & Demographic Characteristics***

Chelsea and Revere are among the Commonwealth's Gateway cities. Chelsea is home to 39,400 individuals with 44% foreign-born residents; 68% of Chelsea residents speak a language other than English at home (2016 ACS). Sector 4, where much of TND's community development program is located is home to 16,594 residents representing 44% of city's population. Revere has a population of 53,400 with 35% foreign born. Shirley Avenue's census tract (1702.02) is home to 6,628 individuals, represents an eighth of Revere's population with 67% representing ethnic or racial minorities.

Poverty rates in Chelsea and Revere are higher than statewide norms, particularly in Chelsea. In Chelsea three of Sector 4's four census tracts have family poverty rates above 25% and as high as 34% (ACS, 2015). For census tract 1604.00, which is illustrative of the area, median family income is \$37,055 compared to \$50,655 for Chelsea and \$83,644 for Massachusetts (2016 ACS). In Revere, Shirley Avenue is a moderate-income census tract with 20.5% in poverty and a median family income of \$55,950 (FFEIC, 2016).

In our target cities, educational attainment rates among adults over 25 year of age are relatively low with 35% of Chelsea and 18% of Revere adults without high school diplomas compared to 10% statewide. Currently, unemployment rates in Chelsea and Revere mirror regional norms.

The major takeaways from our target area demographic 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.

### ***b) Demand for Affordable Housing & Housing Market Data***

A January 2016 market study prepared by Bonz and Company confirms that there is significant demand for the affordable homes that TND provides. The market study estimated that TND's primary market area – Chelsea, Revere and the surrounding communities of Winthrop and Everett - contains more than 11,200 households who are income-qualified for TND's affordable homes. Of the 11,200 income-qualified renter households, Bonz and Company determined that 5,447 households face rental hardship or are households living in substandard housing. Of these households, 3,996 are extremely low-income and therefore specifically eligible for rent assisted 30% units.

The most recent North Suburban Consortium *Impediments to Fair Housing Report* completed in May 2012 by OKM Associates provides a summary of the severity of housing challenges faced by 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 (8.2% of Revere housing units are subsidized).

| <b>2012 North Suburban Consortium (NSC)<br/>Fair Housing Report</b> | <b>Chelsea</b> | <b>Revere</b> | <b>NSC Average</b> |
|---|----------------|---------------|--------------------|
| % 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%               |

Historically, the relatively weak housing markets in Chelsea and Revere have risen more slowly during upswings than the Boston metropolitan area and fallen more quickly during downturns. The foreclosure crisis and recession significantly impacted both cities; the entry level housing prices and immigrant population made our residents ripe targets for sub-prime mortgage schemes, and our housing stock prey to speculative investors who fail to reinvest in the properties they purchase. From 2006 to 2012, the median home sale price in Chelsea fell 31% compared to a 13% average drop across the state (Warren Group). In Revere, median sale price dropped by 29% during the same period. Since the great recession ended, home values have recovered and both cities have experienced rapid change in the housing market fueled by post-recession hot-market development pressures. From 2012 through 2016, the Warren Group reports that the median sales price for single-family homes and condominiums increased by 63% from \$226,000 to \$369,000. In Revere, median sales prices increased by 47% from \$240,000 to \$353,000.

**Takeaways:**

- There is significant demand for affordable homes in our service area driven by high poverty levels.
- In both cities, housing markets have experienced significant volatility over the last five years that serves to restrict investment by property owners: too many properties are in substandard condition.
- Gentrification pressures are mounting, especially in Chelsea.
- In both cities, residents are concerned about the rapid pace of post-recession development and rising rents. Chelsea, voters passed the Community Preservation Act in November 2016 increasing resources for affordable housing. In Revere, the City Council is responding to pressure against all development, and in particular affordable housing development due in part to perceptions of over-crowded schools and objections to the pace and scale of new development.

**SECTION 2 INVOLVEMENT OF COMMUNITY RESIDENTS AND STAKEHOLDERS**

TND’s CIP was originally conceived and continues to evolve as a result of significant 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. By way of example, during 2016, 284 key leaders and staff mobilized 1425 unique individuals to join community building and civic engagement activities with 3,994 as the sum of attendance across all activities.

- a) ***TND's Theory of Change incorporates resident and stakeholder involvement:*** For TND's first 25 years, real estate development to revitalize distressed Chelsea neighborhoods was our primary line of business. In 2005, TND shifted its emphasis from building affordable homes to building vibrant neighborhoods by developing a vision, mission and theory of change that supports a comprehensive approach to neighborhood revitalization. Community building and civic engagement work is central to the organization's mission and vision. TND believes that without an engaged citizenry, the entrenched social and economic issues that impact our distressed neighborhoods will remain. TND's theory of change sponsors four integrated 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;
  - **Financial capabilities** to increase resident prosperity, delivered in collaboration with our CONNECT partners; and
  - **Multi-party problem solving** as community progress occurs when residents and civic institutions each contribute their core strengths to shared problem solving and resource alignment.

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; 1911 are 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 three resident-led committees – the

Revere Community Committee, the Chelsea Community Enhancement Team and the Youth Opportunity Task Force with over 125 residents attending monthly meetings. 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 programming.*** Periodically, TND and municipal leaders co-sponsor participatory neighborhood planning 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. 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. In 2014, TND completed Action Plans in each city that continue to shape integrated programming by multiple partners today. Across the two cities 240 unduplicated neighborhood residents and stakeholders and 36 institutions joined 18 planning meetings, participatory charrettes and task forces focusing on Quality of Life, Housing, Economic Development and Infrastructure. In 2015 in Chelsea, TND led cross-sector and participatory planning around the drivers of crime in the city as part of the Chelsea Thrives initiative. Planning document samples are included among the attachments.
- d) ***Mechanisms for measuring progress are built into TND's annual work cycle.*** 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.

### **SECTION 3 COMMUNITY INVESTMENT PLAN GOALS**

This CIP covers 2017-2019 to align with TND's current strategic plan that frames growth for the organization through 2019. TND's CIP supports attainment of the following goals:

- a) ***REAL ESTATE DEVELOPMENT*** *to strengthen housing markets and to expand affordable housing inventory. TND has site control of three real estate projects that will result in 92 mixed-income residential apartments. By 2019, TND will complete 40 affordable apartments and near completion on 52 mixed-income apartments. TND will maintain a strong development pipeline with a mix of residential and commercial properties. TND will geographically expand beyond Chelsea and Revere into one or more nearby cities lacking a strong non-profit partner in housing development.*

TND employs real estate strategies based on our analysis of market conditions and opportunities. In distressed neighborhoods, TND develops affordable and mixed-income residential properties and mixed-use properties, 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 1250 residents in community building activities and as activated citizens working to advocate for and implement improvements to housing, quality of life, infrastructure and economic conditions. Key indicators of success include:

- Engage 1250 residents each year;
- Train 75 annually; maintain leadership base of 250+;
- In Chelsea, steward Chelsea Thrives to engage 400 residents and 35 public and private sector institutions to impact safety.
- In Revere, collaborate with allies to strengthen Shirley Avenue through business supports, place-making, and improved quality of life conditions.
- At TND properties, 30% of households' access CONNECT and/or Community Engagement programming; new programs developed in response to tenant need. In mid 2016, TND launched a new in-house Resident Services program targeted to the nearly 1000 residents of TND's 386 apartments. This TND service supports stable tenancies, provides social service supports, builds community, and links tenants to CONNECT's economic opportunity services.

c) **CONNECT & FINANCIAL CAPABILITIES** to increase family prosperity delivered in collaboration with our CONNECT partners. Annually, CONNECT will assist 4000 low-income individuals to find a better job and improve household financial health and well-being. TND stewards the five-party CONNECT partnership to achieve greater impact for clients and efficiencies for service providers. Since we know that client outcomes improve when multiple services are accessed, CONNECT will adapt operations and its use of data and technology to increase service bundling rates by clients from 2016's 22% baseline to 30%.

In 2012, TND and five partners launched CONNECT an innovative systems-changing collaboration with the following premise: clients that access multiple employment and financial capability services are more likely to achieve significant economic outcomes. TND serves as CONNECT's backbone agency providing the "glue" required to support collaborative programming to shared goals. The five CONNECT partners include Bunker Hill Community College, Metro Credit Union, Massachusetts Boston Housing Partnership, Career Source and TND. The program operates out of TND's headquarters. In addition to stewarding CONNECT's collaborative programming, the income stabilization and financial capability services that TND delivers at CONNECT reach 1400 a year.

## **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 386 apartments affordably house a very low income population. Across our portfolio, 49% of residents are at risk of homelessness as they earn less than 30% of AMI. In total, 91% of our residents earn 60% or less of AMI.

TND employs durable and environmentally sustainable building practices that meet LEED, Energy Star, 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.

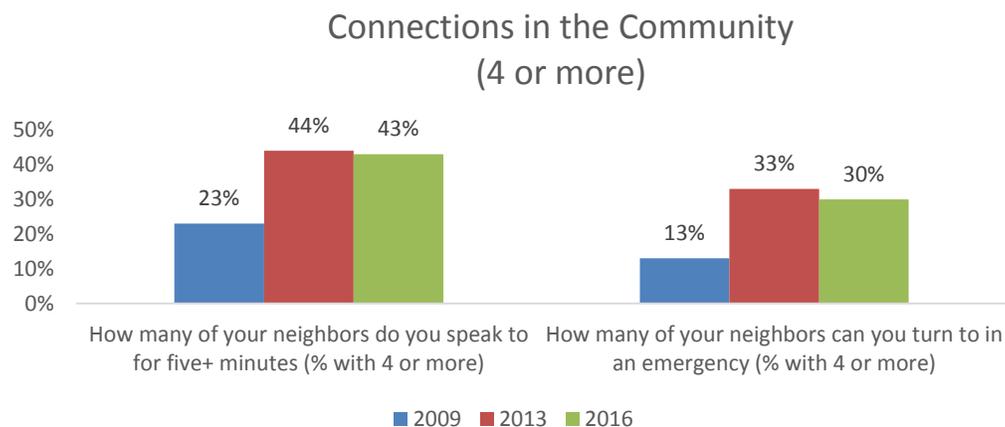
TND's real estate development work benefits the community as a whole by leveraging spillover investments into abutting properties, municipal playgrounds and parks and other infrastructure improvements. In the long-term, we seek to stabilize and strengthen our city's housing markets while maintaining an adequate supply of affordable homes. Lastly, TND's investments serve to improve neighborhood conditions: 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 and engagement programming successfully fosters beneficial

relationships between neighbors, civic and business leaders, and our public and private-sector institutions. Many studies have shown that the outcomes of TND’s Community Engagement programming -- social capital, social cohesion and activated citizens -- are crucial for positive community outcomes impacting health, community safety, community economic resiliency, and youth educational outcomes.

At the neighborhood level, TND works to build relationships between neighbors as they are the underpinning of a healthy and engaged neighborhood. The results of three resident surveys completed in 2009, 2013 and 2016 (with over 1000 respondents) illustrate that respondents report greater personal connections with neighbors over baseline.



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. The Chelsea Thrives initiative now engages 150 community residents and 35 institutions on Committees and Task Forces where residents, civic, business and non-profit leaders collectively problem solve. For example, the Youth Opportunity Task Force and the Beautification Committee are two formal committees in Chelsea where residents problem solve with municipal leaders to improve youth protective factors and reduce the impact of unsightly and/or unsafe properties and public spaces. For the Beautification Committee, the City maintains a list of active and resolved cases. The Chelsea Record reported, “By maintaining that list and [by] providing updates on the status of each item at the meetings, there has evolved an accountability for getting the big and small things done.”

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

CONNECT offers low and moderate income families access to employment and financial capability services in one convenient location, thus delivering measurably greater economic gains, as demonstrated by national research on integrated service delivery models and CONNECT’s own results. Since becoming fully operational in 2013, 4,000 low-income clients are served annually; in 2016 22% of clients availed themselves of more than one CONNECT service. Data from our coaching program illustrates that as clients tap into successively

more services, a greater percentage see gains to net income, net worth and credit scores. For single-service coached clients in 2016, 51% achieved a key outcome; for two and three-service clients, achievement rates were 66%, and 77% respectively. Across all 289 coached clients in 2016, the median increase to net income was \$597 per month while the median increase to credit scores was 64 points. These are game changing results for a low-income family!

## **SECTION 4     ACTIVITIES TO BE UNDERTAKEN**

### **a) REAL ESTATE DEVELOPMENT**

- TND will complete construction of 40 affordable apartments and will near completion of 52 mixed-income apartments by 2019. Site control of three properties is in hand and the projects are in various stages of pre-development. These 92 units will increase TND's portfolio by 25% to 481 rental apartments thus expanding affordable and workforce housing inventory.
- With 100% affordable rental housing as a platform for our work, TND is looking to diversify financing strategies and products as we build our real estate pipeline. During this CIP period, TND will sponsor our first mixed-income rental development (52 units) to diversify development strategies and to address external challenges associated with securing subsidies and local support. Mixed-income development requires new investors and partners 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 this real estate production strategy.**
- As we develop our real estate pipeline, TND works to advance projects that align with resident and municipal priorities. Both cities seek to create conditions that encourage healthy commercial development. TND is actively collaborating with the City of Chelsea to acquire and develop mixed-use properties in downtown Chelsea to improve the area's property standards and conditions. One mixed-use property is currently in development (four commercial and six residential units) with more anticipated.
- TND is currently testing the feasibility of 203 units and will continually seek to build our pipeline.
- TND is actively looking to expand our geographic footprint by sponsoring development in Everett in collaboration with the City administration. During 2017-2019 TND will acquire site control of at least one property outside of our current geographic footprint.

### **b) COMMUNITY ENGAGEMENT**

- Build person-to-person and people-to-place relationships by engaging 1250 annually in community building and engagement activities.
- Provide leadership training for 225 existing and emerging resident leaders and maintain a leadership base of 250 individuals.

- In Chelsea, ensure that residents are actively engaged in community safety efforts through the Chelsea Thrives initiative; steward Chelsea Thrives governing structure as a platform for multi-party programming.
- In Revere, collaborate with residents and allies to strengthen Shirley Avenue through business supports, place-making, and improved quality of life conditions.
- At TND properties, 30% of households access CONNECT and/or Community Engagement programming and new tenant-based programs are developed in response to tenant need.

**c) *RESIDENT PROSPERITY VIA CONNECT***

- Annually, 4,000 low- and moderate-income individuals utilize services at CONNECT to improve family financial health and well-being.
- Since we know that greater client utilization of services leads to stronger client outcomes, CONNECT will complete CONNECT 2.0 technology enhancements, best practice deployment, and integrated service delivery to link 30% of clients to multiple services, up from 2016's 22% baseline. CONNECT will measure the impact of bundled services on client income, credit score and net asset gains.
- TND manages financial capabilities services at CONNECT to benefit 1400/year. Services include one-on-one financial coaching, peer support, benefits screening, free tax preparation and financial education classes. During this CIP, financial education coursework is contextualized to real world situations to increase uptake.
- Assuming funding is secured, CONNECT's employment training capacity expands with 60 trained annually in construction, hospitality, financial services or culinary arts.
- CONNECT launches a satellite site in Revere.

**SECTION 5 HOW SUCCESS WILL BE MEASURED/EVALUATED**

Each of the numeric and process goals listed in this CIP are tracked through the agency's performance management system. 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. Quarterly, the organization takes stock of its outputs utilizing Salesforce to track participation by clients and members at every service, meeting or event. Dashboards synthesize data and are used as program delivery and management tools; the staff and Board reviews Dashboard reports quarterly.

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 2016, TND repeated a Resident Satisfaction Survey completed in Chelsea in 2009 and 2013 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, opinions of neighborhood conditions and efficacy, and more. Baseline data for Revere was collected in 2012 with 240 surveys

completed; during 2017 the Revere survey will be repeated.

On behalf of CONNECT and Chelsea Thrives, the two collective impact initiatives that TND stewards, TND takes responsibility for synthesizing partner data to inform programming. CONNECT’s database is a robust tool that has significantly advanced programming. During this CIP period, CONNECT will complete new client-facing dashboards as new tools for measuring each individual client’s progress.

**SECTION 6 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 vibrant, healthy 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 CONNECT and Chelsea Thrives. TND often serves as the catalyzing agent, bringing parties together to address community issues with each party bringing their expertise and resources to problem solving.

CONNECT is one example of how TND has employed this partnership approach to deepen the impact of our financial empowerment programming. Chelsea Thrives, which is now a mid-stage collective impact endeavor focusing on safety is a second example. Chelsea Thrives partners are shown in the table; turnout at monthly and weekly meetings is strong providing evidence of deep buy-in for Thrives programming. Chelsea Thrives received start up support from the Federal Reserve Bank of Boston’s Working Cities Challenge and 2017-2018 implementation support of \$1 million from the US Department of Justice’s Safe and Thriving Communities program as well as significant funding by the City of Chelsea.

| Sector   | Chelsea Thrives Partner  |
|--|--|
| Business   | Chelsea Bank<br>Chelsea Chamber of Commerce<br>Metro Credit Union  |
| Child Welfare                                    | Department of Children and Families<br>Department of Youth Services<br>Jordan Boys & Girls Club                |
| Youth Development                                | Roca<br>Chelsea Collaborative  |
| Community Development                            | The Neighborhood Developers  |
| Criminal Justice                                 | Chelsea Probation<br>Office of the Commissioner of Probation<br>Suffolk County Sheriff’s Office                |
| Domestic Violence                                | Bay Cove/ASAP<br>HarborCOV   |
| Education  | Bunker Hill Community College<br>Chelsea Public Schools<br>Phoenix Charter Academy                             |
| Housing<br>Law Enforcement<br>Municipal Services | Chelsea Housing Authority<br>Chelsea Police Department<br>City of Chelsea                                      |
| Public Health                                    | Department of Mental Health<br>Healthy Streets<br>MGH Chelsea HealthCare Center<br>North Suffolk Mental Health |
| Social Services, Welfare                         | CAPIC<br>Chelsea Community Connections<br>Salvation Army   |

## **SECTION 7    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 have recovered economically, such as the Everett Avenue Urban Renewal District that features a flagship Market Basket, a new Starbucks, many big box stores, several hotels, and a new FBI facility. Hundreds of new market rate housing units were completed diversifying Chelsea's housing supply. Unfortunately, downtown Chelsea is not participating in the economic recovery at the same rate. 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 safety issues (substance use, 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. TND's CIP is directly aligned with the City's vision for a stronger Chelsea and as the backbone organization of the Chelsea Thrives initiative, TND is playing a leading role in cross-sector multifaceted safety efforts. Through coordinated problem solving and aligned resource deployment managed through the Chelsea Thrives initiative, work is in process to address four crime drivers: 1) high incidences of substance abuse and trauma; 2) low social cohesion and civic engagement due to a transient population and many immigrant families who are unfamiliar with U.S. civic systems; 3) a lack of positive youth opportunities to counter high levels of at-risk youth and gang engagement; and 4) a poor physical environment, including unsafe public spaces and overcrowded, dense and aging housing.

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 supported by MassDevelopment. 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 focusing on mixed-use housing development, supports for business strengthening, place-making and community engagement.

***c) How is the Plan 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 five 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 (2005-2015 managed jointly with TND), revitalization of Chelsea's mixed use downtown Broadway Corridor (2014, 2016). Recent place-based planning tied to infrastructure improvements is occurring in alignment with the Chelsea Thrives initiative that has engaged 400 residents and 35 institutions to improve safety conditions. See the attachments for the Chelsea Thrives Driver Diagram.

In Revere: Participatory planning completed in 2009 and 2014 targeted the Shirley Avenue neighborhood. The 2014 Shirley Avenue Action Plan outlines multi-party and multifaceted strategies to improve Economic Development, Quality of Life, Infrastructure and Housing. In 2015, TND commissioned a Neighborhood Marketing Plan that outlines concrete commercial district recommendations that inform TND's business supports today. Additionally, TND is partnering with the City and MassDevelopment on the development of the Revere Coastal Development District, part of MassDevelopment's Transformative Development Initiative. The vision for the District is to create a vibrant urban area featuring good live, work, and play opportunities and that enjoys excellent transportation options and a magnificent setting on the shore with unique restaurants and entertainment venues; the partners seek to position Shirley Avenue's multi-ethnic shops, bakeries and restaurants as TDI District amenities.

## **SECTION 8 FINANCING STRATEGY**

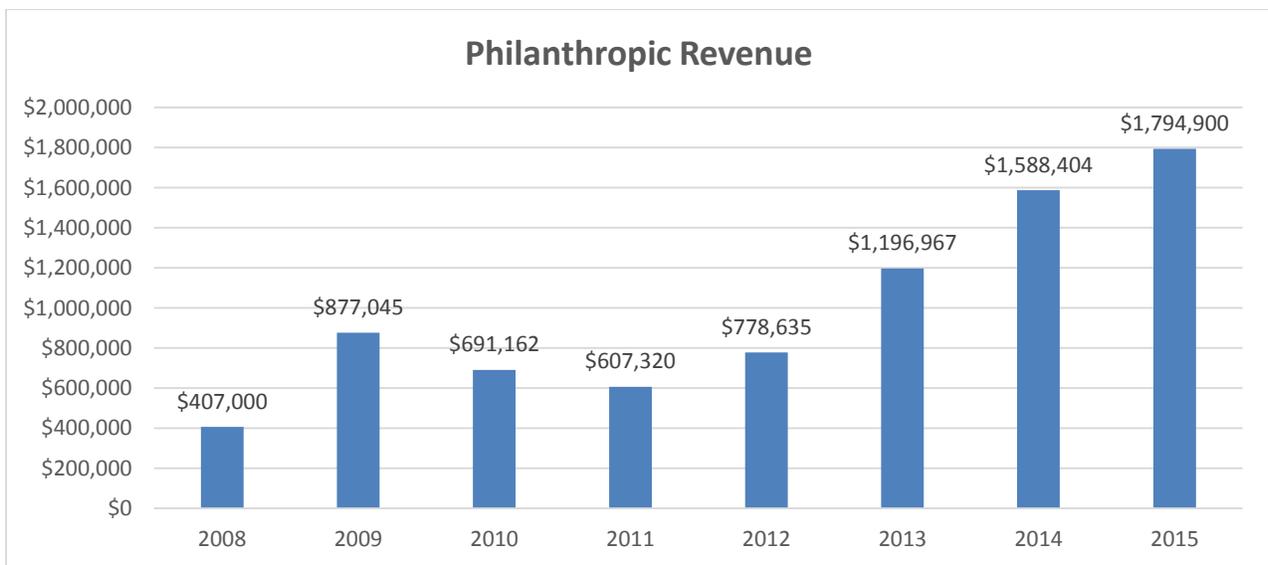
***a) Describe financial implementation of the Plan's activities and identify the level of commitment of other funding sources to implement the Plan.***

TND will fund the CIP with resources from three primary areas:

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

Independent auditors and outside investors confirm that TND is in a strong financial position and that the organization has strong financial management systems. Audited results (discussed below) demonstrate that TND has a solid track record of raising revenue to meet agency needs. In 2017, TND’s operating budget (included as an attachment) is \$3.6 million with projected revenue from real estate related activity of \$1.07 million and revenue from fundraising of \$1.98 million. TND budgets using conservative assumptions of anticipated revenue. TND is starting 2017 with \$1 million of secured fundraising revenue and a solid plan to meet goal by year end using CITCs and grant revenue; real estate revenue is tied to achievable project milestones.

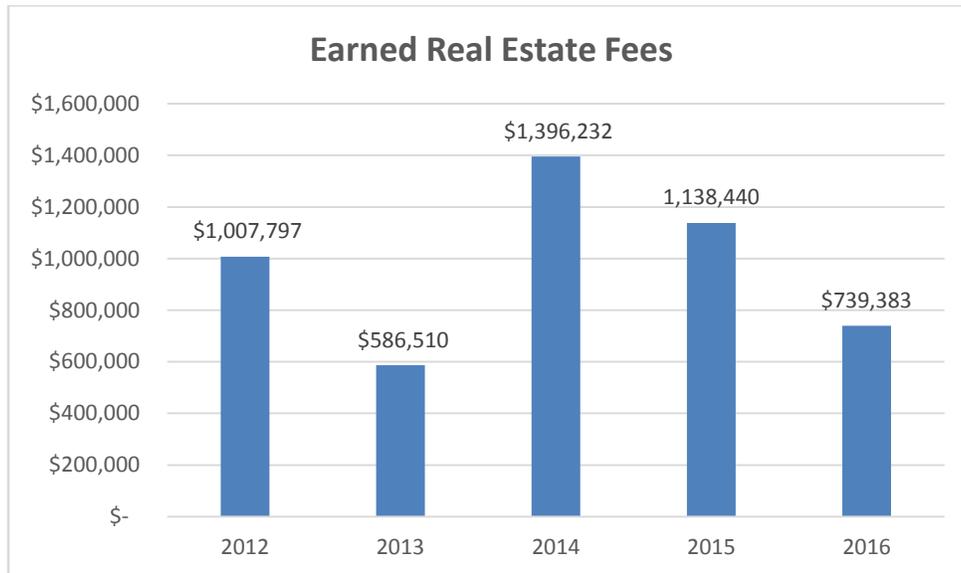
**Philanthropic Revenue:** Using audited results through 2015, TND’s fundraising team has steadily increased its revenue year over year in each of the last five years. TND’s 2016 audit is in process and will show another growth year. A total of \$1.8 million was raised in 2015, up from pre-CITC baseline of \$1.2 million in 2013. (See chart below). For 2017, \$1 million of philanthropic revenue is already secured from contract and grant sources with a plan in place for securing the balance.



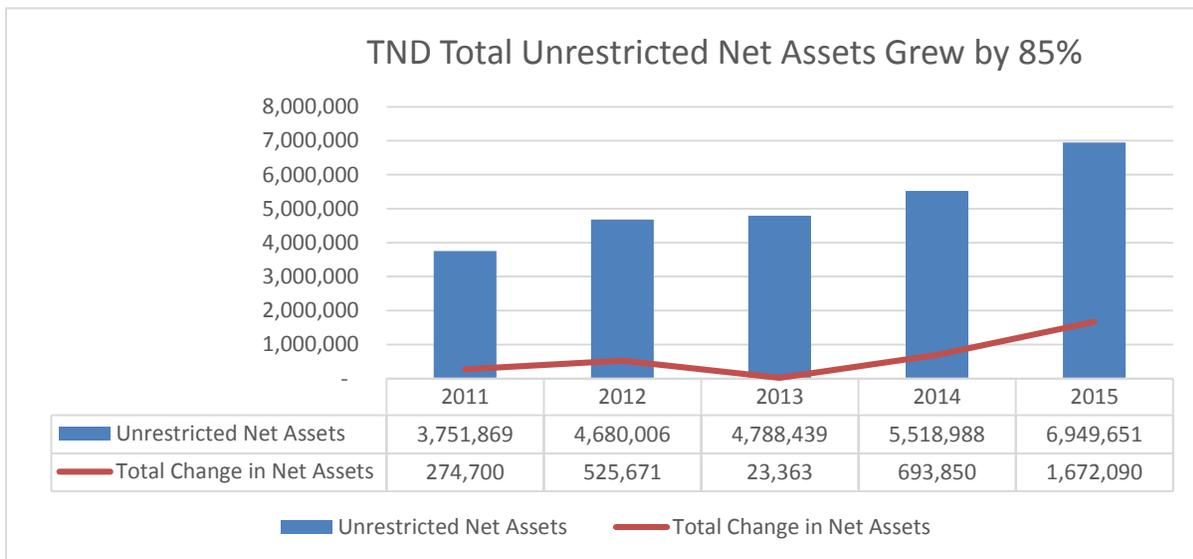
With the support of the CITC program, TND is building its fundraising capacity, expanding its donor base and significantly increasing its philanthropic revenue. Up to 2010, nearly 100% of TND philanthropic revenue was from grants and government contracts. Prior to the onset of the CITC program, TND had started to deploy new-to-TND fundraising strategies including Annual Appeals, corporate sponsorships and fundraising events raising \$275,000 from 277 donors between 2010 and 2013. **Using the CITCs in 2014-2016, TND’s fundraising from individual and corporate donors has grown by 247% over baseline with \$898,355 secured across the three years.**

**Earned Revenue:** Over the past decade, TND invested \$85 million in 350 new and improved homes. As a result of real estate production, earned revenue in the range of \$1 million / year

supports agency operations, as shown in the chart below. During 2017, fees earned from real estate activity are projected at \$690,000.



An indicator of TND’s financial strength is shown by the increase of TND’s unrestricted net assets over time. Over the last five years, as shown on the chart below, unrestricted net assets increased by 85% from \$3.7 million to \$6.95 million.



**SECTION 9 HISTORY, TRACK RECORD & SUSTAINABLE DEVELOPMENT**

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

Please see the attached Report on Progress for additional detail.

**REAL ESTATE DEVELOPMENT:** Over the last decade TND leveraged \$85 million to produce or improve 350 ownership and rental homes. During this time period, TND’s portfolio increased to 386 quality apartments to affordably house low and moderate income households. Averaged across the last five years, we have completed 37 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. TND is housing a vulnerable population, with 49% of residents at risk of homelessness (as they earn less than 30% AMI) and 91% earning less than 60% AMI.

**COMMUNITY ENGAGEMENT:** In 2016, 284 key leaders and staff mobilized 1425 unique individuals to join community building and civic engagement activities with 3,994 as the sum of attendance across all activities. Civic engagement activities (meetings with city officials or law enforcement, attendance at design charrettes, Youth Opportunity Task Force membership, crime watches, beautification activities, or Community Committee meetings) involved 540 unique individuals. As described in the attached CIP Report in more detail, TND’s Community Engagement program brings residents to municipal level problem solving tables, where the voices of residents join those representing public health, education, municipal services, law enforcement, churches, youth development, community development and more. A summary of recent outcomes:

- The **Beautification Committee** identified 100 properties or public spaces that were out of code or substandard for municipal or community action.
- Through Chelsea Shines, residents managed Adopt-A-Spot activities and installed Sidewalk Buttlers – receptacles for cigarette butts in public spaces.
- **Safety walks and community-police meeting** are held every other week in Sector 4 with 158 participants in 2016.
- The **Youth Opportunity Task Force** piloted a six week series of pick up basketball games held on Friday nights in the summer; co-sponsored by parents and the police to build positive youth-police relationships. The Task Force spearheaded an early win: the **City established a new Parks and Rec Department** and hired two full-time and two part-time staff to expand youth recreational programming.
- In response to community concerns for safety in Chelsea’s downtown **the City Council approved the City Manger’s Downtown Initiative** with \$400,000 in funding for infrastructure improvements, place-making and business technical assistance supports. TND provided technical assistance as the Downtown Initiative was crafted.
- **TND engaged six businesses with Retail Visioning services;** the City of Revere is ready to expand its downtown façade improvement program to Shirley Avenue. TND secured \$10,000 in matching funds from NeighborWorks America to support this expansion.
- **TND recruited residents build a new playground** at the Garfield School partnering with partnering with the City, Target and KaBoom on the project.

**FINANCIAL CAPABILITIES DELIVERED THROUGH CONNECT:**

During 2016, CONNECT served 4,058 as follows:

| <u>SERVICE</u>                   | <u># SERVED</u> |
|----------------------------------|-----------------|
| Employment services              | 2453            |
| Financial education and services | 1463            |
| Income and Housing Stabilization | 521             |
| Skill development                | 184             |

CONNECT’s coaching program demonstrates CONNECT’s premise: more services, stronger client outcomes. Of 289 coached clients during 2016, 80% accessed bundled services by utilizing coaching plus at least one other CONNECT service. As clients layer on more services, outcomes strengthen.

289 coached clients served during 2016

| # of services accessed/client | # of clients | % of clients | # that achieved major milestone | % that achieved major milestone |
|-------------------------------|--------------|--------------|---------------------------------|---------------------------------|
| 1 service                     | 57           | 19.7%        | 29                              | 50.9%                           |
| 2 services                    | 155          | 53.6%        | 102                             | 65.8%                           |
| 3 or more services            | 77           | 26.7%        | 58                              | 75.3%                           |

289 coached clients served during 2016

| Major Outcomes          | 1 Service | 2 Services | 3 or more Services | Median Change Across All Served |
|-------------------------|-----------|------------|--------------------|---------------------------------|
| Increases to Net Income | 35%       | 41%        | 56%                | \$597per month                  |
| Increases to Net Worth  | 30%       | 27%        | 35%                | \$1970                          |
| Improved Credit Score   | 28%       | 19%        | 40%                | 64 points                       |

***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 seeks to complete 92 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.