community development partnership

November 25, 2019

Faythe Ellis
Vice Chair, Brewster Community Preservation Committee
Brewster Town Hall
2198 Main Street
Brewster, MA 02631-1898

RE: 2019 CPA PROJECT FUNDING REQUEST: Cape Housing Institute.

Dear Ms. Ellis:

I am pleased to enclose 12 copies of an application from the Lower Cape Cod Community Development Corporation d/b/a the Community Development Partnership (CDP) in submission for 2019 CPA Project Funding. I have also enclosed a thumb drive containing the complete application.

The CDP is excited about expanding our Lower Cape Housing Institute in Year 4 (2020) to offer this training opportunity to municipal officials and town staff in Brewster along with advanced level topics for those who will have already attended the Lower Cape Housing Institute in Years 1 through 3. The Cape Housing Institute is a much-needed continuing education opportunity as evidenced by the approximately 200 Lower Cape officials who registered for our three annual Institutes. These participants include members of the Brewster Community Preservation Committee, Brewster Finance Committee, Brewster Housing Partnership, Brewster Planning Board, Brewster Open Space Committee and staff from the Departments of Town Administration, Police and Planning. In total, twenty-six municipal officials and town staff from Brewster have participated in the Lower Cape Housing Institutes.

With 27 years of experience in managing and developing affordable housing, the CDP understands that creating more affordable housing in our region is complicated. That's why we created the Lower Cape Housing Institute to demystify the process and support towns in creating and implementing a comprehensive housing supply strategy to meet current housing needs and plan for future growth.

We look forward to the Committee's response and please feel free to contact me with questions or comments.

Sincerely,

Ann C. Robinson
Chief Program Officer

3 Main Street Mercantile, Unit 7, Eastham, MA 02642 ph: 508.240.7873 | 800.220.6202 fx: 508.240.5085

contact@capecdp.org www.capecdp.org www.facebook.com/capecdp

Brewster • Chatham • Eastham • Harwich • Orleans • Provincetown • Truro • Wellfleet

Town of Brewster
Community Preservation Committee
2198 Main Street
Brewster, Massachusetts 02631-1898
(508) 896-3701 x 133
Fax (508) 896-8089

Dear Community Members,

The Brewster Community Preservation Committee (CPC) is accepting Community Preservation Act (CPA) funding applications for:

1. Acquisition, creation, and preservation of **Open Space**
2. Acquisition, preservation, rehabilitation, and restoration of **Historic Resources**
3. Acquisition, creation, preservation, rehabilitation, and restoration of land for **Recreational use**.
4. Acquisition, creation, preservation, and support of **Community Housing**.
5. Rehabilitation and restoration of **Open Space** and **Community Housing** that have been acquired or created using monies from the fund.

CPA funds may not be used for maintenance or the use of land for a stadium, gymnasium, or similar structure. For examples of projects and additional information, go to: www.communitypreservation.org.

An application form and list of selection criteria are attached.

Applications should be submitted by July 1st for the fall meeting or December 1st for the spring meeting, to allow sufficient CPC review time for potential presentation to the following Brewster Town Meeting.

Interested parties are urged to submit applications as soon as possible. For further information, please contact any member of the committee.

Thank you,

Paul Ruchinskas, Chair

Community Preservation Committee

Paul Ruchinskas, Chair	Citizen Representative	pjruch@comcast.net
Faythe Ellis, Vice-Chair	Historical Commission	faythe.ellis@outlook.com
Sharon Marotti, Treasurer	Citizen Representative	sharonmarotti@gmail.com
Elizabeth G. Taylor, Clerk	Planning Board	egtfarm@gmail.com
Roland W. Bassett, Jr., Member	Recreation Commission	
Barbara Burgo, Member	Brewster Housing Authority	bjburgo19@gmail.com
Peggy Jablonski, Member	Citizen Representative	pegjab@gmail.com
William Klein, Member	Conservation Commission	wjklein1@gmail.com
Diane Pansire, Member	Citizen Representative	dpansire@capecodfive.com

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Fax (508) 896-8089

Town of Brewster Community Preservation Committee

Project Eligibility Criteria

Projects must be eligible for Community Preservation Act (CPA) funding according to the requirements described in the CPA legislation. These requirements include:

- Acquisition, creation, and preservation of Open Space
- Acquisition, preservation, rehabilitation, and restoration of Historic Resources. (See Secretary of the Interior Standards for Treatment of Historic Properties for rehabilitation projects)
- Acquisition, creation, preservation, rehabilitation, and restoration of land for Recreational use.
- Acquisition, creation, preservation, and support of Community Housing
- Rehabilitation and restoration of Open Space and Community Housing that have been acquired or created using monies from the fund

CPA funds may not be used for maintenance or the use of land for a stadium, gymnasium, or similar structure. For examples of projects and additional information, go to: www.communitypreservation.org.

Applicants must be able demonstrate a clear need for the use of public funds for their project.

The CPC may recommend grants for the planning phase of projects where sufficient information is included in the application concerning the sources of funding that will be available after the planning phase is completed.

The Brewster Community Preservation Committee (CPC) encourages applications that address as many of the following general criteria as possible:

- Contribute to the preservation of Brewster's unique character
- Boost the vitality of the Town
- Enhance the quality of life for Brewster residents
- Serve more than one of the four CPA purposes
- Save resources that would otherwise be threatened
- Serve a currently under-served Town population
- Demonstrate practicality and feasibility, and ability to implement within budget
- Demonstrate a positive cost/benefit relationship
- Leverage additional public and/or private funds
- Preserve, enhance or better utilize existing Town resources
- Receive endorsement by other Town committees and the Brewster public at large

Town of Brewster
Community Preservation Committee
2198 Main Street
Brewster, Massachusetts 02631-1898
(508) 896-3701 x 133
Fax (508) 896-8089

APPLICATION FOR COMMUNITY PRESERVATION ACT FUNDING

Date Application Submitted: November 21, 2019

Name of Project Applicant: Community Development Partnership

Name of Co-Applicant(s), if applicable:

Name of Contact Person: Ann C. Robinson

Contact Person's Mailing Address: 3 Main Street Mercantile, Unit 7, Eastham, MA 02642

Contact Person's Daytime Phone Number: (508) 240-7873, 13

Contact Person's email Address: ann@capecdp.org

Proposed Project Name: Lower Cape Housing Institute

Project Address (or assessor's parcel ID): 3 Main Street Mercantile, Unit 7, Eastham, MA 02642

Project Synopsis:

Category: ☐ **Open Space** ☐ **Historic Preservation** ☐ **Recreation** ☑ **Community Housing**

CPA funding requested $ 15,000 for 2 years **Total Cost of Proposed Project** $ 286,000

PROJECT DESCRIPTION

Please describe your project, answering all of the following questions in the order presented. Applications will be considered incomplete if all requested information is not provided. Include supporting materials (maps, diagrams, photos, etc.). Please number pages of application.

1. **Project Description:** Describe the proposed project. Is this part of a larger project or an ongoing project?

2. **For Historic Preservation projects:** Attach proof of listing on the State Register of Historic Places or a letter from the Brewster Historic Commission indicating that the resource has been determined to be significant in the history, archaeology, architecture, or culture of Brewster. Please note that rehabilitation projects must comply with the Secretary of the Interior Standards for Treatment of Historic Properties. **Additional information and analysis will be needed for projects submitted by churches/religious organizations to determine if they comply with the SJC's Caplan vs. Town of Acton decision.**

3. **CPA Goals/Criteria:** Describe how this project accomplishes the goals and objectives of the CPA (refer to the attached general and issue-specific criteria and identify which of these apply to the project).

4. **Community Benefits:** What are the community benefits of the project?

5. **Community Support:** What is the nature and level of support for this project? Include letters of support and any petitions.

6. **Timeline:** What is the schedule for project implementation, including a timeline for all milestones? Please identify any special timing considerations for the project's implementation. If this is part of a larger project, is it phased? What is the timeline for the entire project?

7. **Credentials:** What are the qualifications and relevant experience of those undertaking the project?

8. **Budget/Need for Public Funds:** What is the total budget (sources of funds and uses/expenses) for the project and schedule for expenditure of CPA funds? All sources of funds and expenses must be clearly identified. Provide the basis for cost estimates whenever possible. (Note: CPA funds may not be used for maintenance.)

   If this is part of a larger project, what is the budget for the entire project (sources of funds and expenses/uses)?

   Clearly identify what additional funding sources are available, committed, or under consideration and why public funding would be appropriate. Include copies of commitment letters, if available, and describe any other attempts to secure funding for this project.

   Provide the most recent audited financial report or if none available, an applicant generated financial report that includes a balance sheet and operating budget. Town-sponsored projects must demonstrate why the project cannot be funded through the Department's or Committee's budget.

9. **Maintenance:** If ongoing maintenance is required for your project, who will be responsible for maintenance and how will it be funded?

10. **Site Control and Appraisal:** If the project involves acquisition of real property, provide evidence of site control (deed, purchase and sale, option, etc.). In addition, provide an appraisal of the property's value by a state licensed appraiser using customary appraising techniques. The CPA does not allow funding for acquisitions if the acquisition price is greater than appraised value.

Town of Brewster Community Preservation Committee

CATEGORY SPECIFIC CRITERIA

(Identify which of the following criteria apply to your project.)

Open Space Proposals

- ☐ Permanently protect important wildlife habitat, including areas of significance for biodiversity, diversity of geological features and types of vegetation, contain a habitat type that is in danger of vanishing from Brewster or preserve habitat for threatened or endangered species of plants or animals.
- ☐ Provide opportunities for passive recreation and environmental education.
- ☐ Enhance or protect wildlife corridors, promote connectivity of habitat and prevent fragmentation of habitats.
- ☐ Provide connections with existing trails or potential trail linkages.
- ☐ Preserve scenic views or border a scenic road.
- ☐ Protect drinking water quantity and quality.
- ☐ Provide flood control/storage.
- ☐ Preserve important surface water bodies, including wetlands, vernal pools or riparian zones.
- ☐ Preserve priority parcels in the Town's Open Space Plan/maximize the amount of open land owned by the Town of Brewster.

Historical Preservation Proposals

- ☒ **MANDATORY**: Must be on the State Register of Historic Places or have a letter from the Brewster Historical Commission indicating that the resource has been determined to be significant in the history, archaeology, architecture, or culture of Brewster.
- ☒ **MANDATORY**: Project must meet Secretary of the Interior Standards for rehabilitation and/or restoration of Historic Preservation Properties.
- ☒ **MANDATORY IF REQUEST IS FROM A CHURCH/RELIGIOUS ORGANIZATION:** The project must satisfy the analysis outlined by the SJC's Caplan vs. Town of Acton decision.
- ☐ Protect, preserve, enhance, restore and/or rehabilitate historic, cultural, architectural or archaeological resources of significance, especially those that are threatened.
- ☐ Protect, preserve, enhance, restore and/or rehabilitate town-owned properties, features or resources of historical significance.
- ☐ Protect, preserve, enhance, restore and/or rehabilitate the historical function of a property or site;
- ☐ Demonstrate a public benefit and/or public access, or
- ☐ Otherwise provide permanent protection for maintaining the historic resource.
- ☐ Project site should not be privately owned unless there is demonstrable public access and benefit.

Community Housing Proposals

- ☑ Increase the supply of year-round affordable rental housing for all types of households, such as young singles and couples, families, and seniors.
- ☑ Build support for addressing housing needs through partnerships with conservation groups and non-profit and for-profit developers.
- ☑ Create housing that is affordable and appropriate for very low-income seniors and people with disabilities.
- ☑ Increase local capacity to plan, advocate for, and create affordable housing, preserve the affordability and condition of existing affordable units, and monitor affordable housing restrictions.
- ☑ Increase the variety of mixed-income housing choices in Brewster, particularly in or near commercial areas in order to support Brewster's economy and accommodate household growth.
- ☑ Provide at least 10% of Brewster's year-round housing units as affordable housing in order to meet local and regional needs.
- ☑ Ensure long term affordability.

- ☑ Give priority to local residents, town employees, employees of local businesses, and households with children in Brewster schools as allowed by law.

Recreation Proposals

- ☐ Support multiple active and passive recreation uses.
- ☐ Serve a significant number of residents and visitors.
- ☐ Expand the range of recreational opportunities available to all ages of Brewster residents and visitors.
- ☐ Benefit other Brewster committees providing recreational resources to residents.
- ☐ Promote the use of alternative corridors that provide safe and healthy non-motorized transportation.

Town of Brewster Community Preservation Committee

APPLICATION REVIEW AND APPROVAL PROCESS

Step 1 – Complete the application (with numbered pages) and submit 12 copies, plus a CD or thumb drive containing the complete application with all attachments to:

Community Preservation Committee
Town Hall
2198 Main Street
Brewster, MA 02631

Step 2 – Community Preservation Committee Review and Public Comment

A. Application Review:
The Brewster Community Preservation Committee (CPC) will review submitted applications to determine whether:

- Proposed project is eligible for Community Preservation Act funding after review by Town Counsel.
- **The application, including the project description and any supporting documentation, is complete.**
- The application is sufficiently developed in terms of work plan and timely for further consideration. When necessary, the CPC will ask applicants to provide additional information, and the CPC may accept modifications to the original proposal based upon that information and/or discussions with the CPC.

B. Project Review Guidelines are as follows:

- **When the CPC has determined that the 3 criteria in the application review process listed above (A) have been satisfied, t**he CPC will refer an application to the appropriate committee for review and comment:
- Historic Preservation applications will be referred to the Brewster Historical Commission for review and recommendations.
- Community Housing applications will be referred to the CPC Housing Committee for review and recommendations.
- Recreation applications will be referred to the Recreation Commission for review and recommendations (unless the application originated with the Recreation Commission).
- Open Space applications will be referred to the Open Space Committee for review and recommendations (unless the application originated with the Open Space Committee)

C. Public Comment – The CPC will seek public comment on proposed projects at regular scheduled meetings.

D. CPC Recommendation – After Application Review (A), Project Review (B) and Public Comment (C), the CPC will make recommendations, pro or con, on all applications and will notify applicants of the CPC's determination. Applications that are approved will be recommended in the form of warrant articles to be voted on at the *next* Town Meeting.

The Brewster Community Preservation Committee (CPC) will make a recommendation to Town Meeting for warrant articles that seek Community Preservation funds only if satisfactory information is received from a project applicant indicating that:

1. Sufficient funds will be available to complete the project(s).
2. Every application shall include a project budget with a list of project sources and uses/expenses of funds and a schedule for completion.
3. The source and estimated value of any expected 'in-kind' contributions shall be specified.
4. The Brewster CPC may decline any application that is not responsive to these requirements.
5. The CPC will establish the preliminary terms and conditions for any recommended grant as part of its vote to recommend it.
6. Specific terms and conditions/requirements will be contained in the conditional award letter from the CPC.

Step 3 – Town Meeting Approval. Town Meeting has the final authority to award funds from Brewster's Community Preservation Fund. Should Town Meeting vote approval, for non Town-sponsored awards, a Grant Agreement will be executed between the Town and the applicant that will incorporate the terms and conditions included in the award letter among other items. No CPC funds shall be expended until the Grant Agreement is fully executed.

Step 4 – Funding and project oversight by the Community Preservation Committee

- Funding will be available following Town Meeting, subject to submission of documents, including the Grant Agreement if necessary, as required by the Community Preservation Committee.
- In general, the Town and CPC will execute a grant agreement with the applicant that will describe, among other issues, the conditions for CPC disbursement of funds, including any funds held back until project completion. The CPC must review and approve all agreements.
- Historic Preservation projects will require monitoring to ensure that work meets the restrictions as outlined in the Secretary of the Interior Standards for Historic Properties.
- In general, grant agreements will require that the project be completed and CPC funds expended within two years.
- The CPC will appoint one of its members as the liaison for each approved project. The liaison will frequently be in contact with persons responsible for each project and will require regular reports in person and/or in writing to the Committee. The liaison will also provide the initial approval for any project funding request.
- Two sets of bills must be submitted directly to the CPA Administrative Clerk (one original for the Town Accountant and one copy for the CPA Committee files). These must be approved/initialed by the Committee Clerk/Treasurer prior to being submitted to the Town Accountant.

Step 5 – Final Report after project completion. The Community Preservation Committee requires a final grant report. The Committee reserves the right to withhold some funds until a final report is received and approved by the Committee.

1. **Project Description**

The Lower Cape Housing Institute is a component of the Lower Cape Community Housing Partnership, a comprehensive response to insufficient affordable housing in Brewster and throughout the Lower Cape. The region's ability to respond to this housing crisis is hindered by land use policies that encourage sprawl and discourage smart growth oriented multi-family housing. Existing zoning has resulted in a housing mono-culture: over 80% of the Cape's housing is single family, detached homes on one acre lots. Local elected and appointed municipal officials, and town staff need training and technical assistance in the complexity of developing and managing housing that is affordable to year-round residents in order to address this situation.

Another major factor hindering the creation of affordable housing in the region has been community resistance to specific proposals to build affordable housing. Many voters have misconceptions and harbor stereotypes about working families in need of affordable housing. Few voters understand the economics of development and the need for density to reduce costs and impact on the environment.

In June of 2017, the Community Development Partnership (CDP) launched a comprehensive community-based strategy entitled the Lower Cape Community Housing Partnership (LCCHP). It is designed to build public support for affordable housing and equip LMI (low to moderate-income) residents, business and community leaders, and local elected and appointed officials with the knowledge and skills to support the creation of more year-round housing.

The LCCHP helps overcome many of the barriers to developing more affordable housing in the region in order to better meet the housing needs of working families. Without an informed electorate, skilled and knowledgeable volunteer officials, and town staff with expertise in affordable housing development, little progress can be made in addressing the region's affordable and year-round housing challenges. The LCCHP addresses these barriers through traditional community organizing and leadership development strategies in three ways:

Strategy 1: Lower Cape Housing Institute, Quarterly Peer Groups and Advanced Training

For the past three years, the CDP has offered an annual Lower Cape Housing Institute (CHI) to educate at least 40 local elected and appointed officials from each town on the Lower Cape including the Town of Brewster. In 2017 70 Lower Cape officials attended and in 2018 53 Lower Cape officials attended. 19 Brewster officials have attended the Housing Institute in the first two years – representing 38 percent of the 50 elected and appointed officials in the Town of Brewster that are eligible to attend. The third annual Lower Cape Housing Institute just ended and seven individuals from Brewster attended at least one session.

The Training consists of a series of six workshops that equip officials with the knowledge and skills to support affordable housing development in their towns. In 2020, each workshop will be held in a centralized Lower Cape location to be accessible to participants from all eight Lower Cape towns. Our collaboration with the Mass Housing Partnership (MHP) and the Cape Cod Commission to refine and deliver the curriculum will continue.

The Lower Cape Housing Institute covers a wide range of topics outlined in ATTACHMENT B. As a result of receiving training, Brewster will be better positioned to implement changes in zoning by-laws that support affordable housing development and ultimately increase the number of affordable units in Brewster's Subsidized Housing Inventory. Furthermore, Brewster will increase its utilization of Community Preservation Act funding for affordable housing and make optimal use of the town's newly established Affordable Housing Trust.

Peer Group Meetings are held each quarter on the Lower Cape and Outer Cape. These 2-hour meetings are open to Town staff involved in housing issues (i.e. Town managers, planners, housing specialists), elected and appointed officials, and Housing Institute participants/graduates. The meetings provide an opportunity for the exchange of ideas and the development of regional solutions to address the Lower and Outer Cape's affordable housing crisis.

The Housing Institute is designed to provide participants with a comprehensive foundation of knowledge and skills to address affordable housing issues. However, many topics are covered only at a basic level. To provide more in-depth knowledge of issues such as affordable housing finance, zoning reform and development of community housing, quarterly trainings are offered on in-depth topics for elected and appointed officials, and Housing Institute participants/graduates.

Strategy 2: Lower Cape Housing Advocacy Training

Lower Cape residents concerned about the lack of affordable housing are trained to develop leadership, organizing and public speaking skills to effectively engage in public hearings and Town Meetings. Participants gain an understanding of how affordable housing is created and how decisions are made at a town level that affect the development of affordable housing.

Strategy 3: Public Education Campaign

Most municipal decisions affecting affordable housing development require a town meeting vote making it critical to develop broad support for affordable housing. This campaign is designed to dispel stereotypes about Low-Moderate Income residents of affordable housing developments.

This application seeks funding to support the 2020 and 2021 Lower Cape Housing Institutes, Quarterly Peer Groups and Advanced Trainings. In order to maximize efficiency for both CDP staff and the Brewster Community Preservation Committee, our application seeks a continuation of funding at the same level for FY21-22 at a rate of $7,500 per year for two years. The total request for this multi-year request is $15,000.

2. Not applicable

3. CPA Goals/Criteria

The Lower Cape Housing Institute is specifically designed to assist the Town of Brewster in creating, preserving and supporting community housing for low-to-moderate income residents including families and seniors. As such, this project is eligible for CPA funds under the Community Housing eligible use. By attending the Lower Cape Housing Institute and advanced training, Town officials and staff will have the knowledge and tools that they need to make decisions and

implement strategies that increase affordable housing in a way that is appropriate for the town. Furthermore, Brewster will be better positioned to support the creation of affordable housing in a way that protects open space, maintains its historic character and enhances recreational use of land.

Alignment with the Brewster CPC General Criteria

- Boost the vitality of the Town
  Reducing the burden of housing costs for residents is a critical component of community wellness and vitality. Cost burdened families experience greater financial and personal stress with a cascade of associated negative impacts to these families. Residents who are able to afford a safe and appropriate home are better able to engage with and contribute to the local economy.
- Enhance the quality of life for Brewster residents
  Safe and decent housing is the most important aspect of life quality. Creating affordable housing for residents directly impacts their quality of life.
- Serve a currently under-served Town population
  The primary beneficiaries of the Lower Cape Housing Institute are local elected and appointed municipal officials who are involved in decisions that affect housing production. Municipal officials lack continuing education opportunities. The Lower Cape Housing Institute is the only local training opportunity related to increasing the production of affordable housing.
- Demonstrate practicality and feasibility, and ability to implement within budget
  The Community Development Partnership has developed the program expansion and budget based on actual year 3 costs and participants feedback. The CDP has a track record of high-quality program delivery.
- Leverage additional public and/or private funds
  The CDP has applied for private and public funding to support year 4 of the Lower Cape Housing Institute. Additionally, the CDP will contribute reserve funds to fill the funding gap as necessary.
- Preserve, enhance or better utilize existing Town resources
  The Lower Cape Housing Institute is designed to support town staff in better focusing their priorities and resources to implement strategies that have the highest potential for impact.

Alignment with the Brewster CPC Category Specific Criteria for Community Housing Proposals

- Contribute to the goal of achieving 10 percent affordable housing
- Promote a socioeconomic environment that encourages diversity
- Provide housing that is harmonious in design and scale with the surrounding neighborhood
- Ensure long-term affordability
- Promote use of existing buildings or construction on previously-developed or Town-owned sites
- Convert market rate to public subsidized units
- Provide an appropriate mix of rental and ownership housing
- Give priority to local residents, town employees, employees of local business as allowed by law

The purpose of the Lower Cape Housing Institute is to provide Brewster elected and appointed officials, and staff with the knowledge and skills necessary to increase the supply of affordable housing in their town. By definition, these units will add to Brewster's Subsidized Housing Inventory (SHI) thereby getting closer to meeting the Commonwealth's 10 percent affordability goal. However, the Institute will go further by teaching participants how to exceed this goal by planning for the future needs of town residents at all income levels. The Lower Cape Housing Institute will support

the Town of Brewster in determining its affordable housing needs and implementing strategies to meet those needs in a way that is place-based and contextual.

Session one of the Lower Cape Housing Institute lays the foundation for the institute by reviewing regional and town-level data on the current and future housing needs. Session two looks at how Chapter 40B can be used to increase a town's SHI. Session three provides an overview of the different types of planning tools available to meet specific needs.

Session four focuses on understanding the complex financing required to develop affordable housing as well as the phases of development as they pertain to the town. Participants learn about funding sources and municipal subsidies that can support these processes and attract high quality developments.

The Lower Cape Housing Institute dedicates session five to pre-development aspects of a project including zoning and site selection. Understanding housing types as well as analyzing the housing stock that is missing in your town is critical to making informed decisions about the range of zoning tools available to meet production goals. A local affordable housing developer and architect provide a unique perspective to zoning options and how they can help or hinder a town in utilizing zoning options that attract the type of development that Brewster desires and requires to reach 10 percent of affordable housing stock.

In Session six we review the historical policies that have led to the homogenous population that we have on the Cape and the resulting Fair Housing regulations that towns must abide by. Participants will understand why each town is legally obligated to act to increase diversity in our region.

4. Community Benefits

As a result of receiving training, Brewster will be better positioned to implement changes in zoning by-laws that support affordable housing development. These changes will ultimately increase the number of affordable units in Brewster's Subsidized Housing Inventory. Furthermore, Brewster will increase its utilization of Community Preservation Act funding for community housing.

The success of the Lower Cape Housing Institute will be measured against the following short-term and long-term outcomes:

- 40 local elected and appointed officials will have a solid knowledge of affordable housing development solutions and strategies.
- Broad public support will exist for the development of affordable housing units.
- Towns will implement changes in zoning by-laws that support affordable housing development.
- There will be an increase in the number of affordable units to each town's Subsidized Housing Inventory.
- Towns will utilize Community Preservation Act funding for affordable housing.

5. Community Support

The CDP has collected feedback from municipal officials and staff who have participated in the Lower Cape Housing Institute. Participants were asked to state the value of the Lower Cape Housing Institute from the following options: Very valuable, Valuable, Fairly valuable or Not valuable. As of

November 20th, 100% of respondents indicate that the sessions are either Very valuable or Valuable. We have also received anecdotal praise for the Lower Cape Housing Institute and how it empowers municipal officials to work toward their affordable housing goals. At the end of the Institute, all participants were asked to complete a final evaluation to provide feedback on how we can strengthen the Lower Cape Housing Institute in year 4 and beyond.

6. Project Timeline

July 1 – September 30, 2020	Housing Institute planning -revise curriculum & recruit speakers -recruit participants -secure training venues Plan & schedule quarterly trainings
August, 2020	Peer Group Meeting
September, 2020	Quarterly Training
October 1 – November 15	2020 Lower Cape Housing Institute
November, 2020	Peer Group Meetings
December, 2020	Post-Institute Wrap-Up
December, 2020	Quarterly Training
February, 2021	Peer Group Meetings
March, 2021	Quarterly Training
May, 2021	Peer Group Meetings
June, 2021	Quarterly Training

The schedule would be the same for year 5 of the Institute.

7. Credentials

Chief Program Officer, Ann C. Robinson, will oversee the Cape Housing Institute. Ann graduated from Dartmouth College with an A.B. in government and then earned a law degree from Boston University. Before joining the CDP, Ann was the Executive Director of Bridgeport Neighborhood and Commercial Services, Bridgeport Neighborhood Fund and Bridgeport Neighborhood Trust, and Community Capital Fund, all located in Bridgeport, CT.

Ann Robinson will directly supervise the CDP's Director of Housing Advocacy, Andrea Aldana, who is responsible for implementing the Cape Housing Institute as well as the broader Cape Community Housing Partnership throughout the eight towns of the Lower Cape including Brewster. Andrea holds a BA in Metropolitan Studies from New York University with a minor in Environmental Science. Andrea has been with the CDP for over six years and also runs the First Time Homebuyer Education program.

8. Budget/Need for Public Funds

See attached budget and recent audited financial report. CPA funds would be used for salaries and direct costs, and will directly benefit the Town of Brewster. Costs are based on actual costs from the 2019 Lower Cape Housing Institute.

One commitment has been received for funding for the fourth year of the Lower Cape Housing Institute. Each of the eight towns of the Lower and Outer Cape is being asked to commit CPA funds to this project. In addition, requests have been made to the Cape Cod Foundation. The CDP will commit funds from its Cape and Island license plate proceeds.

9. Maintenance

Not applicable.

10. Site Control

Not applicable.

Income	**FY 2021**	**FY 2022**	
United Way of the Cape & Islands	$15,000	$15,000	
Cape & Islands Plate Fund	$53,000	$63,000	
Provincetown CPC Funds	$7,500	$7,500	
Truro CPC Funds	$7,500	$7,500	
Wellfleet CPC Funds	$7,500	$7,500	
Eastham CPC Funds	$7,500	$7,500	
Orleans CPC Funds	$7,500	$7,500	
Brewster CPC Funds	$7,500	$7,500	
Harwich CPC Funds	$7,500	$7,500	
Chatham CPC Funds	$7,500	$7,500	
Cape Cod Foundation	$5,000	$5,000	
Ferring Foundation	$10,000		
Total Income	**$143,000**	**$143,000**	
Expenses			
Salaries & Benefits – Chief Program Officer @ 10%, Project Director @80%, Program Manager @ 60%, Fiscal Manager @ 10%	$99,000	$99,000	
Project Implementation - 10 training sessions at $3,000/session to cover venue fees, speakers, travel, training materials, marketing & consultants	$30,000	$30,000	
Overhead (10%)	$14,000	$14,000	$140,000
Total Expenses	**$143,000**	**$143,000**	
Surplus/Deficit	$0	$0	

2019 LOWER CAPE HOUSING INSTITUTE

WHEN:

WEDNESDAYS

OCT 2ND - NOV 6TH

6:00 PM - 8:30 PM

SESSIONS:

OCT 2ND	THE LOWER CAPE HOUSING LANDSCAPE
OCT 9TH	MUNICIPAL PLANNING FOR A SHARED COMMUNITY VISION
OCT 16TH	SETTING YOUR TOWN UP FOR SUCCESS
OCT 23RD	ZONING FOR HOUSING TO PROTECT OPEN SPACE
OCT 30TH	ANALYZING OPTIMAL LOCATIONS FOR DEVELOPMENT
NOV 6TH	CROSSING THE FINISH LINE

WHERE:

EASTHAM PUBLIC LIBRARY
190 SAMOSET ROAD,
EASTHAM, MA 02642

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WHO:

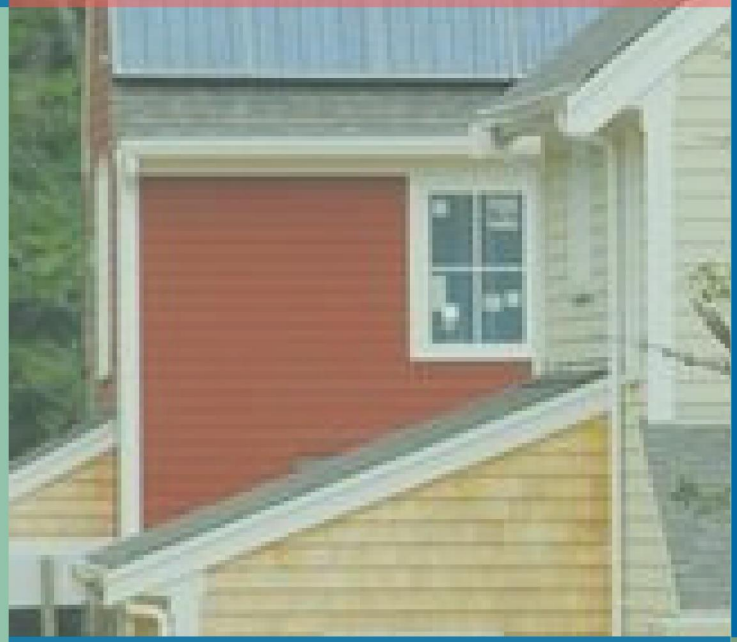
FREE TRAINING FOR ELECTED & APPOINTED MUNICIPAL LEADERS & TOWN STAFF

community development partnership

POST - INSTITUTE TOWN WRAP-UP SCHEDULE

- **Chatham** - Monday, December 9th | 10 am - 12:30 pm at the Community Center
- **Eastham** - Monday, December 9th | 5:30 pm - 8 pm at the Eastham Public Library
- **Orleans** - Wednesday, December 11th | 5:30 pm - 8 pm at Snow Library
- **Harwich** - Monday, December 16th | 10 am - 12:30 pm at the Cultural Center
- **Brewster** - Tuesday, January 7th | 5:30 pm - 8 pm at the Brewster Ladies Library
- **Truro** - Wednesday, January 8th | 5:30 pm - 8 pm at the Community Center
- **Provincetown** - Tuesday, January 21st | 5:30 pm - 8 pm at Provincetown Commons
- **Wellfleet** - Wednesday, January 22nd | 10: 30 am - 1 pm at Preservation Hall

REGISTER AT WWW.CAPECDP.ORG AND CLICK ON UPCOMING EVENTS. CHOOSE 1 SESSION OR ALL 6.



PEER GROUP MEETINGS - FALL

- **Lower Cape:** Brewster, Chatham, Harwich, & Orleans, Tuesday, November 12th | 3 pm - 5 pm at at the Harwich Community Center
- **Outer Cape:** Provincetown, Truro, Wellfleet & Eastham, Thursday, November 14th 3 pm - 5 pm at Preservation Hall

2019 LOWER CAPE HOUSING INSTITUTE

WEDNESDAYS
OCT 2ND - NOV 6TH
6:00 PM - 8:30 PM

EASTHAM PUBLIC LIBRARY
190 SAMOSET ROAD

community development partnership

SESSION 1: THE LOWER CAPE HOUSING LANDSCAPE

Date: October 2, 2019

Addressing the housing crisis is one of the most important actions we can take the preserve the health of our communities. This session will lay the foundation for understanding how you can use your power and position to move the needle on housing in a significant way. First, you'll arm yourself with the data trends that describe the housing crisis. Then we'll develop a shared language to help us talk about housing to the public. A state policy & legislative update will tell us which tools and resources are in the pipeline to support you. Finally, we'll talk about the secret ingredient in catalyzing change and what you can do right now to transform your community's housing options.

SESSION 2: MUNICIPAL PLANNING FOR A SHARED COMMUNITY VISION

Date: October 9, 2019

The 2019 Lower Cape Housing Institute is designed to follow housing productions steps from visioning to building. Session two moves us from understanding the problem to planning for the future. We'll review which plans will identify and shape your community's priorities. In order to implement any plan at the town level, you need the support of voters. Learn why community engagement is a critical component of any planning process and how to implement a participatory process.

SESSION 3: SETTING YOUR TOWN UP FOR SUCCESS

Date: October 16, 2019

Housing development is expensive whether it is affordable or not. We'll discuss new and innovative revenue streams that will allow for more flexibility in meeting the housing needs of residents at all income levels. We'll also discuss the range of tools and strategies that towns can use to support their year-round community and encourage high quality housing production.

SESSION 4: ZONING FOR HOUSING TO PROTECT OPEN SPACE

Date: October 23, 2019

Historically, there has been tension between housing and open space, but it doesn't have to be that way. In fact, smart & intentional zoning should support, rather than conflict with, our region's ability to preserve and protect this beautiful place that we call home. We'll focus on successful examples of Open Space Residential Development (OSRD) for multi-family. We'll also discuss zoning options that allow for compact housing and inclusive neighborhoods (including a brief overview of Chapter 40B).

SESSION 5: ANALYZING OPTIMAL LOCATIONS FOR DEVELOPMENT

Date: October 30, 2019

So, you think you have a site? That's great! Do you know what can actually be built on the site? How much money will you need to invest into the site and what will your return be on that investment? Will you get enough units to make a dent in your affordable housing stock? These are all questions that towns need answered before they start seeking developers. There is a way to maximize and manage resources to meet specific goals. You'll learn how to be strategic in your approach to housing development and select sites with a higher likelihood of success.

SESSION 6: CROSSING THE FINISH LINE

Date: November 6, 2019

Once you've selected the right site, much needs to happen before a shovel hits the ground. We'll discuss the range of pre-development activities that a town can engage in and what a town can expect to spend before it seeks a developer. You'll learn important tips for writing an RFP that attracts high quality developers (hint: don't write it by yourself!) Since selecting a developer is one of the most important decisions that a town will make, we'll walk you through how to make the best choice. After that, the town doesn't have much involvement except to ensure that those hard-earned affordable units stay affordable; we'll talk about that too.

community development partnership

2019 Lower Cape Housing Institute

Session Descriptions

Register for the Lower Cape Housing Institute

Session 1: The Lower Cape Housing Landscape

October 2, 2019

Addressing the housing crisis is one of the most important actions we can take to preserve the health of our communities. Despite the complexity of the challenge, the solutions are well known and understood. This session will lay the foundation for understanding how you can use your power and position to move the needle on housing in a significant way. First, you'll arm yourself with the data trends that describe the housing crisis. Then we'll develop a shared language to help us talk about housing to the public. You'll learn about what Lower Cape towns are doing to meet their housing needs and how it compares to where we need to be. A state policy & legislative update will tell us which tools and resources are in the pipeline to support you. Finally, we'll talk about the secret ingredient in catalyzing change and what you can do right now to transform your community's housing options.

Session 2: Municipal Planning for a Shared Community Vision

October 9, 2019

The 2019 Lower Cape Housing Institute is designed to follow housing productions steps from visioning to building. Session two moves us from understanding the problem to planning for the future. We'll review which plans will identify and shape your community's priorities. In order to implement any plan at the town level, you need the support of voters. Learn why community engagement is a critical component of any planning process and how to implement a participatory process.

Session 3: Setting Your Town Up for Success

October 16, 2019

Housing development is expensive whether it is affordable or not. It becomes much more expensive when towns are focused on appropriate design and when the municipal climate is unpredictable for developers. Using local dollars is the best way to retain local control so that you can ensure that you are meeting your town's housing needs while respecting concerns about scale and design. Before you jump into housing development, there are many ways that you can prime your town for the best quality project for your town (think infrastructure, incentives, etc.). We'll discuss new and innovative revenue streams that will allow for more flexibility in meeting the housing needs of residents at all income levels. We'll also discuss the range of tools and strategies that towns can use to support their year-round community and encourage high quality housing production.

Session 4: Zoning For Housing To Protect Open Space

October 23, 2019

Historically, there has been tension between housing and open space, but it doesn't have to be that way. In fact, smart & intentional zoning should support, rather than conflict with, our region's ability to preserve and protect this beautiful place that we call home. We'll focus on successful examples of Open Space Residential Development (OSRD) for multi-family. We'll also discuss zoning options that allow for compact housing and inclusive neighborhoods (including a brief overview of Chapter 40B).

Session 5: Analyzing Optimal Locations

October 30, 2019

So, you think you have a site? That's great! Do you know what can actually be built on the site? Are you hoping you'll have shovels in the ground within a year? How does that site fit within your broader strategy? How much money will you need to invest into the site and what will your return be on that investment? Will you get enough units to make a dent in your affordable housing stock? And if not, will you have any money left in your Housing Trust to start another project soon? These are all questions that towns need answered before they start seeking developers. There is a way to maximize and manage resources to meet specific goals. You'll learn how to be strategic in your approach to housing development and select sites with a higher likelihood of success.

Session 6: Crossing the Finish Line

November 6, 2019

Once you've selected the right site, much needs to happen before a shovel hits the ground. The more information that a town can gather about a site, the better a developer can respond to the town's needs and desires. We'll discuss the range of pre-development activities that a town can engage in and what a town can expect to spend before it seeks a developer. You'll learn important tips for writing an RFP that attracts high quality developers (hint: don't write it by yourself!) Since selecting a developer is one of the most important

decisions that a town will make, we'll walk you through how to make the best choice. After that, the town doesn't have much involvement except to ensure that those hard-earned affordable units stay affordable; we'll talk about that too.

Fall Peer Group Meetings: click here to register

After the Lower Cape Housing Institute, we will hold our fall quarterly sub-regional **Peer Group Meetings** to continue to facilitate sub-regional communication and support municipal officials. Additionally, we continue to work with Mass Housing Partnership to offer **Advanced Trainings** on the Cape covering topics relevant to Cape Housing Institute and Peer Group participants.

- **Lower Cape Peer Group Meeting**: Tuesday, November 12th, 3pm - 5pm, Harwich Community Center
- **Outer Cape Peer Group Meeting**: Thursday, November 14th, 3pm - 5pm, Wellfleet Preservation Hall

Post-Institute Town Wrap-Ups: click here to register

Back by popular demand, we will once again convene small group meetings on a town-by-town basis. These wrap-ups are an informal space for municipal officials and staff to debrief about how to translate learnings into specific actions. Participants will leave feeling energized and with clarity about how they can best contribute toward a common goal. These wrap-ups are professionally facilitated to ensure that they are as useful as possible for the group. We will provide a flexible agenda with enough structure to be efficient without being prescriptive.

- **Chatham**: Monday, December 9, 2019, 10am - 12:30pm, Chatham Community Center
- **Eastham**: Monday, December 9, 2019, 5:30pm - 8pm, Eastham Public Library
- **Orleans**: Wednesday, December 11, 2019, 5:30pm - 8pm, Snow Library
- **Harwich**: Monday, December 16, 2019, 10am - 12:30pm, Harwich Cultural Center
- **Brewster**: Tuesday, January 7, 2020, 5:30pm - 8pm, Brewster Ladies Library
- **Truro**: Wednesday, January 8, 2020, 5:30pm - 8pm, Truro Community Center
- **Provincetown**: Tuesday, January 21, 2020, 5:30pm - 8pm, Provincetown Commons
- **Wellfleet**: Wednesday, January 22, 2020, 10:30am – 1 pm, Wellfleet Preservation Hall

Questions? Contact Andrea Aldana, Director of Housing Advocacy, to be added to the notification list: by phone (508) 240-7873 x10 or by email andrea@capecdp.org.

COMMUNITY DEVELOPMENT PARTNERSHIP AND THANKFUL CHASE PATHWAYS, LLC

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

For the Years Ended June 30, 2018 and 2017

COMMUNITY DEVELOPMENT PARTNERSHIP
AND THANKFUL CHASE PATHWAYS, LLC

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SWE
SANDERS, WALSH & EATON, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Community Development Partnership and Thankful Chase Pathways, LLC
Eastham, Massachusetts

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Community Development Partnership and Thankful Chase Pathways, LLC, which comprise the consolidated statements of financial position as of June 30, 2018 and 2017, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with audited standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Community Development Partnership and Thankful Chase Pathways, LLC as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates

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directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated December 13, 2018, on our consideration of Community Development Partnership and Thankful Chase Pathways, LLC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Community Development Partnership and Thankful Chase Pathways, LLC's internal control over financial reporting and compliance.

Sandberg, Walsh & Eatony LLC

December 13, 2018

COMMUNITY DEVELOPMENT PARTNERSHIP
AND THANKFUL CHASE PATHWAYS, LLC
Consolidated Statements of Financial Position
June 30, 2018 and 2017

ASSETS

	2018	2017
Current Assets:		
Cash Accounts	$ 1,183,984	$ 1,193,120
Restricted Capital Reserve Cash Accounts	435,334	388,385
Escrow Accounts	206,712	140,296
Accounts Receivables	545,185	314,626
Rent Receivables	24,241	22,127
Prepaid expenses	81,088	65,644
Security deposits	43,613	41,983
Loans receivable, current portion	142,217	155,560
Total Current Assets	2,662,374	2,321,741
Fixed Assets:		
Land	1,129,203	1,129,203
Buildings and equipment	10,017,812	10,007,334
Total Fixed Assets	11,147,015	11,136,537
Accumulated depreciation	(3,717,121)	(3,376,726)
Net Fixed Assets	7,429,894	7,759,811
Other Assets:		
Inventory: Fishing permits	600,000	600,000
Loans receivable, long term (net of allowances for loan losses of $22,000 and $18,719 respectively)	178,848	242,754
Total Other Assets	778,848	842,754
Total Assets	$ 10,871,116	$ 10,924,306

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts payable	$ 84,458	$ 118,887
Accrued expenses	116,408	115,413
Advance on grant contracts	500,003	355,814
Deposits payable	42,645	41,279
Mortgage and Note payable, current portion	121,667	109,008
Total Current Liabilities	865,181	740,401
Long-Term Liabilities:		
Mortgage Payable - Private and Government	2,307,157	2,380,980
Note Payable - Scallop Quota Loan	308,669	366,212
Government Mortgages - Deferred Financing	5,389,011	5,389,011
Total Long-Term Liabilities	8,004,837	8,136,203
Total Liabilities	8,870,018	8,876,604
Net Assets:		
Unrestricted	2,001,098	2,047,702
Total Net Assets	2,001,098	2,047,702
Total Liabilities and Net Assets	$ 10,871,116	$ 10,924,306

The accompanying notes are an integral part of these financial statements

COMMUNITY DEVELOPMENT PARTNERSHIP AND THANKFUL CHASE PATHWAYS, LLC

Consolidated Statements of Activities

For the Years Ended June 30, 2018 and 2017

	2018	2017
Changes in unrestricted net assets		
Grant income	$ 1,980,703	$ 1,947,270
Program income	828,308	814,356
Contributions	467,853	325,382
Special events	22,255	35,572
Interest income	6,660	4,327
Other income	20,014	24,743
Total Revenues and Support	3,325,793	3,151,650
Expenses:		
Program	3,187,054	3,082,413
General and administrative	27,530	33,380
Fundraising	157,813	123,840
Total Expenses	3,372,397	3,239,633
Increase in Net Assets	(46,604)	(87,983)
Net Assets, Beginning of Year	2,047,702	2,135,685
Net Assets, End of Year	$ 2,001,098	$ 2,047,702

The accompanying notes are an integral part of these financial statements

COMMUNITY DEVELOPMENT PARTNERSHIP
AND THANKFUL CHASE PATHWAYS, LLC
Consolidated Statements of Functional Expenses
For the Year Ended June 30, 2018 and 2017

	2018			
	Program	General and Administrative	Fund-Raising	Total
Salaries, benefits, and payroll taxes	$ 748,609	$ 202,952	$ 78,433	$ 1,029,994
Advertising	9,017	24,097	16,080	49,194
Depreciation and amortization	333,059	6,564	393	340,016
Dues and memberships	4,601	1,035	492	6,128
Insurance	61,516	5,131	902	67,549
Interest	159,993	1,760	44	161,797
Licenses, permits and fees	6,048	769	7,962	14,779
Maintenance and repairs	163,178	10,778	4,360	178,316
Office supplies and equipment	34,989	11,432	6,502	52,923
Professional fees	95,860	2,422	14,337	112,619
Real estate tax	16,159	-		16,159
Rent (Office expense)	875	424	2,000	3,299
Special program	1,228,642	-	600	1,229,242
Training	3,795	4,185	715	8,695
Travel	12,836	822	571	14,229
Utilities	82,427	4,186	845	87,458
Subtotal	2,961,604	276,557	134,236	3,372,397
Allocation of G&A costs	225,450	(249,027)	23,577	-
Total	$ 3,187,054	$ 27,530	$ 157,813	$ 3,372,397

	2017			
	Program	General and Administrative	Fund-Raising	Total
Salaries, benefits, and payroll taxes	$ 752,421	$ 167,170	$ 66,676	$ 986,267
Advertising	15,775	20,406	10,591	46,772
Depreciation and amortization	333,451	6,453	438	340,342
Dues and memberships	4,689	1,037	567	6,293
Insurance	60,722	4,327	772	65,821
Interest	161,849	1,886	96	163,831
Licenses, permits and fees	5,420	1,513	2,685	9,618
Maintenance and repairs	139,689	9,372	1,735	150,796
Office supplies and equipment	36,013	7,754	6,872	50,639
Professional fees	63,476	3,390	11,133	77,999
Real estate tax	15,685	-	-	15,685
Rent (Office expense)	7,255	-	2,000	9,255
Special program	1,220,229	188	869	1,221,286
Training	1,961	5,576	1,436	8,973
Travel	11,941	943	1,161	14,045
Utilities	67,005	4,483	523	72,011
Subtotal	2,897,581	234,498	107,554	3,239,633
Allocation of G&A costs	184,832	(201,118)	16,286	-
Total	$ 3,082,413	$ 33,380	$ 123,840	$ 3,239,633

The accompanying notes are an integral part of these financial statements

COMMUNITY DEVELOPMENT PARTNERSHIP AND THANKFUL CHASE PATHWAYS, LLC

Consolidated Statements of Cash Flows

For the Years Ended June 30, 2018 and 2017

	2018	2017
Cash Flows from Operating Activities:		
Increase/(Decrease) in net assets	$ (46,604)	$ (87,983)
Adjustments to reconcile changes in net assets provided by operating activities:		
Depreciation	340,395	340,716
(Increase) decrease in:		
Accounts receivable	(230,559)	42,452
Rents receivable	(2,114)	(11,768)
Loan receivables	77,249	13,076
Escrow accounts	(66,416)	(23,690)
Security deposits	(1,630)	(2,984)
Prepaid expenses	(15,444)	(10,411)
Increase (decrease) in:		
Accounts payable	(34,429)	12,168
Deposits payable	1,366	1,653
Accrued expenses	995	5,078
Advance on grant contracts	144,189	(84,439)
Net Cash Provided by Operating Activities	166,998	193,868
Cash Flows from Investing Activities:		
Net deposits to reserves	(46,949)	24,705
Purchase of property and equipment	(10,478)	(75,533)
Net Cash Used in Investing Activities	(57,427)	(50,828)
Cash Flows from Financing Activities:		
Proceeds from loans		
Repayments of mortgage payable	(118,707)	(105,484)
Net Cash Used in Financing Activities	(118,707)	(105,484)
Net increase/(Decrease) in Cash	(9,136)	37,556
Cash, Beginning of Year	1,193,120	1,155,564
Cash, End of Year	$ 1,183,984	$ 1,193,120
Supplemental Cash Flow Information		
Interest costs incurred	$ 161,797	$ 163,831
Interest subsidy credited	(45,762)	(45,762)
Interest Costs Paid	$ 116,035	$ 118,069
Noncash Financing and Investing Activities:		
Government interest subsidies credited towards debt service requirements	$ 45,762	$ 45,762
Noncash Financing and Investing Activities:	$ 45,762	$ 45,762

The accompanying notes are an integral part of these financial statements

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization
The Lower Cape Cod Community Development Corporation d/b/a Community Development Partnership (CDP) was organized July 1, 1992, as a nonprofit corporation under the Massachusetts General Laws Chapter 180 and was formed to promote and assist community-based development organizations and individuals in their efforts to address the needs of low and moderate income residents in the Lower Cape Cod Area.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) No. 958-320, Accounting for Certain Investments Held by Not-for-Profit Organizations. As a result the financial activity for Thankful Chase Pathway, LLC (TCP) a for-profit company owned 100% by CDP have been consolidated with the financial activity of CDP for the years ended June 30, 2018 and 2017. TCP was formed for the purpose of investment and holding of a leasehold interest in, and development of, real estate and interests therein, including, but not limited to, the leasing, acquiring, operating, selling, financing, refinancing, disposing of and otherwise dealing with interests in real estate, directly or indirectly through joint ventures, partnerships or other entities, specifically those associated with the property known as 35 Main Street Extension, Harwich, Massachusetts, to be known as Thankful Chase Pathway, with the specific intention of holding the property as affordable housing, and to engage in any activities directly or indirectly related or incidental thereto.

Basis of Accounting
The accompanying financial statements have been prepared on the accrual basis of accounting. The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

Basis of Presentation
The consolidated financial statements include the accounts CDP and TCP (for-profit company) , its 100% wholly owned subsidiary. All significant intercompany balances and transactions were eliminated in consolidation. The organization have common control and an element of economic interest. In accordance with the American Institute of Certified Public Accountants (AICPA) Statement of Position (SOP) 94-3, consolidation is required.

Financial statement presentation follows the professional recommendations. Under professional recommendations, the Corporation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Net assets of the two restricted classes are created only by donor imposed restrictions on their use. All other net assets are legally unrestricted and are reported as part of the unrestricted class.

There were no temporarily or permanently restricted net assets or activities as of June 30, 2018 and 2017.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses
The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain administrative and general costs have been allocated among the program and supporting services benefited.

Tax Exempt Status
The CDP is a not-for-profit organization exempt from taxes under Internal Revenue Code 501(c)(3) and is defined as a voluntary health and welfare organization.

Cash and Cash Equivalents
For the purposes of the statements of cash flows, the CDP considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Property and Equipment
Donated capital assets and property and equipment are recorded at cost. Expenditures for maintenance and repairs are charged against operations. Donations of property and equipment are recorded at their estimated fair market value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Property and equipment are depreciated using the straight-line method over their estimated useful lives of three to ten years for equipment and five to thirty years for buildings and improvements.

In Kind Revenue and Expenses
CDP receives support in the form of donated goods and services. These goods and services are recorded at their fair market values at the time received and are reflected in the financial statements as both support and expense. Total in-kind contributions amounted to $41,861and $50,216 for the year ended June 30, 2018 and 2017, respectively.

Allowance for Bad Debts
Accounts and loan receivables are stated at unpaid balances, less an allowance for doubtful accounts. The CDP provides for losses on accounts and loan receivable using the allowance method. The allowance is based on experience and other circumstances. It is CDP's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Advertising
CDP follows the policy of charging the costs of advertising to expense as incurred. Advertising expense for the years ended June 30, 2018 and 2017 were $49,194 and $46,772, respectively.

Compensated Absences
Compensated absences have been accrued in the amount of $47,216 and $46,648 as of June 30, 2018 and 2017, respectively.

NOTE B - CASH AND CASH EQUIVALENTS:

Cash and cash equivalents at June 30 consist of the following:

	2018	2017
General operating fund	$ 407,383	$ 411,870
Money market funds	776,601	781,250
Total cash and cash equivalents	$ 1,183,984	$ 1,193,120

Included in total cash and cash equivalents is restricted cash for the Micro loan program at June 30 consists of the following:

	2018	2017
Money market funds	$ 158,401	$ 169,402

NOTE C - RESTRICTED DEPOSITS AND FUNDED RESERVES:

Replacement Reserve and Solar Reserve
In accordance with the terms of the MHP's regulatory agreement TCP funds and maintains a replacement reserve fund. The replacement reserve balance was $45,633 and $39,641 as of June 30, 2018 and 2017, respectively. The Solar reserve balance was $22,645 and $22,311 as of June 30, 2018 and 2017, respectively.

Operating Reserve
In accordance with the terms of the MHP's regulatory agreement, TCP will maintain a revenue fund account for its operations, starting March 31, 2011, held by MHP. The revenue fund amount at June 30, 2018 and 2017 was $14,366 and $14,154, respectively.

Rental Property Reserve Accounts
CDP maintains funded reserves for various rental properties for future capital improvements. The reserves account balances were $352,691 and $312,278 as of June 30, 2018 and 2017, respectively.

NOTE C - RESTRICTED DEPOSITS AND FUNDED RESERVES (continued):

Escrow Reserve Accounts

Escrow reserve accounts were comprised of the following as of June 30, 2018 and 2017:

	2018	2017
Mass Ground Fish Loan Fund	$ 168,663	$ 119,428
Mass Housing Partnership Escrow Reserve-TCP	10,772	8,780
CDBG - Housing Rehabilitation Fund	27,277	12,088
	$ 206,712	$ 140,296

NOTE D - INVENTORIES:

Inventories consist of three (3) fishing permits purchased for resale/lease. They are stated at the lower of cost or market. The inventory balance was $600,000 and $600,000 as of June 30, 2018 and 2017, respectively.

NOTE E - LINE OF CREDIT:

CDP has entered into credit agreements with banks that allow the Corporation to borrow an amount not to exceed $75,000. The credit line bears interest at prime plus 1%. The loan is not secured by the assets of the Corporation. The outstanding balance as of June 30, 2018 and 2017 was $0 and $0, respectively.

CDP has entered into a seven (7) year credit agreement with Massachusetts Growth Capital Corporation (MGCC), a Massachusetts quasi-public lending agency, that allows CDP to borrow an amount not to exceed $250,000 for the purpose of providing capital to fund microloans to qualified businesses. The credit line bears interest only of 3.25% for three (3) years. Outstanding principal balance at the end of the three (3) year period is amortized over a four (4) year period with a maturity date of January 29, 2021. The outstanding balance as of June 30, 2018 and 2017 was $0 and $0, respectively.

NOTE F - RENTAL REHABILITATION AND HOUSING REHABILITATION LOAN PROGRAM:

The CDP has received pass-through grants from the Towns of Wellfleet, Truro, Eastham and Dennis to administer rehabilitation loans to eligible property owners or investors under the United States Department of Housing and Urban Development Small Cities Program. Loans are now capped at $40,000 per unit, and repayment of the outstanding balance is forgiven over a fifteen year period at the rate of 6.7% per year provided that the borrower is in compliance with loan provisions. The loans are secured through a fifteen year property lien.

NOTE F - RENTAL REHABILITATION AND HOUSING REHABILITATION LOAN PROGRAM (continued):

The CDP does not expect to collect on a substantial portion of these loans and any loans collected because of default of grant terms and conditions would be remitted to the grant awarding authorities and do not represent available resources to the CDP. Therefore, the issuance of these loans is considered a non-exchange transaction and is recorded as a grant/program expense in the financial statements and no receivable is recorded. Grant revenue and expense was $1,212,931 and $1,196,709 for the years ended June 30, 2018 and 2017 respectively.

NOTE G - LOANS RECEIVABLE:

The CDP microloan fund was funded originally with a pass-through grant from the Town of Chatham to administer a small business revolving loan program under the United States Department of Housing and Urban Development Small Cities program. These micro-loans of up to $40,000 are issued to eligible individuals to start up or expand small, private businesses in the Lower Cape Cod area. Principal and interest is repayable monthly at interest rates of prime plus 2%, and the loan maturities do not exceed a five year term. An allowance for doubtful accounts is estimated each year based on specific identification of at risk loans. Uncollectible loans are charged off when the business declares bankruptcy.

The CDP Ground Fish Revolving loan fund was funded by a $250,000 federal pass through grant from the Massachusetts Department of Marine Fisheries. The Ground fish revolving loans of up to $50,000 are issued to eligible individuals to encourage the continued profitability of small-scale ground fish fishing businesses with leasing ground fish quota.

The CDP Shellfish Microloan fund was capitalized by a $60,000 contribution from Wellfleet SPAT. Loans are made to eligible applicants that are Wellfleet based shellfish and aquaculture businesses.

In addition to the microloan, ground fish revolving loan and shellfish microloan funds, CDP has also issued short-term business loans, using its own funds to fund various small businesses such as scallop leases to buy quota licenses.

Loans receivables are carried at unpaid principal balances, less an allowance for loan losses and net deferred loan fees. Management's periodic evaluation of the adequacy of the allowance is based on past loan loss experience, specific impaired loans, adverse situations that may affect the borrower's ability to repay and current economic conditions.

Loan receivables were comprised of the following at June 30, 2018 and 2017:

	2018	2017
Microloans	$ 186,967	$ 178,196
Ground fish loans	106,482	164,405
Shellfish microloans	9,667	34,483
Scallop lease to buy loans	39,949	39,949
	343,065	417,033
Less allowance for uncollected accounts	(22,000)	(18,719)
Net Loan Receivable	$ 321,065	$ 398,314

NOTE H - GRANT INCOME:

CDP receives a substantial amount of its support from the United States Department of Housing and Urban Development on a pass-through basis under cost reimbursement contracts, which are based on approved budgets. Additional funding is received directly from the United States Department of Agriculture as rent subsidies and through fees charged by the Registry of Motor Vehicles associated with the issuance of Cape and Islands license plates, net of related direct costs. Under Massachusetts General Law Chapter 90, Section 2, the CDP receives 20% of the net fees of these license plates in amounts proportional to the number of vehicles registered in Barnstable County in order to promote tourism or economic development.

Support received under cost reimbursement contracts and grants is recorded as grant revenue and grant receivable in unrestricted net assets when the related costs are incurred or billed. Cost reimbursement grant revenue in excess of costs incurred are recorded as a liability "advance on grant contracts", until costs are incurred and the revenue earned. Support received under rent subsidies and the Cape and Islands license plate program are recorded as grant revenue and grant receivables when the underlying transaction generating these grant amounts occur. Cape and Islands license plate revenue is allocated for the use among CDP programs by the Board of Directors.

A summary of CDP's significant grant programs for the years ended June 30, 2018 ad 2017 are as follows:

	2018	2017
U.S. Department of Housing and Urban Development	$ 1,426,092	$ 1,467,500
U.S. Department of Agriculture	196,779	235,115
Mass Growth Capital Corp.	30,408	41,905
Commonwealth - DHCD	50,000	-
Mass Housing Partnership	5,000	-
Commonwealth Corp.	1,750	1,500
Commonwealth - EOHED	25,000	21,250
Cape and Islands Plates	245,674	180,000
	$ 1,980,703	$ 1,947,270

NOTE I - MORTGAGES AND NOTES PAYABLE:

	2018	2017
Mortgages payable:		
Note payable to US Department of Agriculture (USDA), 6.75% interest and principal payment of $2,183 payable monthly, final payment due September, 2032, collateralized by property located at 324 Old Kings Highway, Wellfleet, MA.	$ 959,989	$ 966,631
Note payable to Cape Cod Five Cent Savings Bank, 4.64% interest and principal payment of $1,540 payable monthly, final payment due October, 2025, collateralized by property located at 836 Main Street, Harwich, MA.	113,338	126,244

NOTE I - MORTGAGES AND NOTES PAYABLE (continued):	2018	2017
Note payable to the Cape Cod Five Cents Savings Bank, 9.00% interest and principal payment of $961 payable monthly, final payment due August, 2020, collateralized by property located at Gull Cottages, Eastham.	89,738	92,886
Note payable to Seamen's Bank, 5.0% interest and principal payment of $724 payable monthly, final payment due August, 2037, collateralized by property located at 27 Nelson Ave., Provincetown, MA.	106,090	109,315
Note payable to TD Bank, 4.99% interest and principal payment of $2,478 payable monthly, final payment due May, 2027, collateralized by property located at 17 & 19 Robert Lane.	212,384	230,912
Note payable to Cape Cod Five Cents Savings Bank, 4.45% interest and principal payment of $506 payable monthly, final payment due December, 2025, collateralized by property located at Unit 7 Main Street Mercantile, Eastham, MA.	38,586	42,815
Note payable to TD Bank, 4.84% interest and principal payment of $609 payable monthly, final payment due March, 2033, collateralized by property located at 1475 State Highway, Eastham, MA.	81,063	84,958
Note payable to Cape Cod Five Cents Savings Bank, 4.20% interest and principal payment of $328 payable monthly, final payment due July, 2033, collateralized by property located at Gull Cottages, Eastham, MA.	43,749	45,753
Note payable to Town of Eastham, 5.00% interest and principal payment of $2,315 payable semi-annually, final payment due November, 2019, collateralized by property located at Gull Cottages, Eastham.	3,307	4,961

NOTE I- MORTGAGES AND NOTES PAYABLE (continued):	2018	2017
Note payable to the Massachusetts Housing Partnership (MHP), 6.58 interest and principal payment of $4,653 payable monthly, final payment due August 25, 2031, collateralized by property located at Thankful Chase Pathway.	663,967	675,687
Note payable to Seaman's Bank, 4.0% interest and principal payment of $219 payable monthly, final payment due August 13, 2020, collateralized by property located at 3 Main Street Mercantile, Unit 18A.	32,450	33,738
Note payable to Seaman's Bank, 4.0% interest and principal payment of $244 payable monthly, final payment due January 7, 2021, collateralized by property located at 3 Main Street Mercantile, Unit 6.	36,618	37,972
Total Mortgages Payable	2,381,279	2,451,872
Note Payable:		
Note payable to Cape Cod Commercial Fisherman's Alliance 3.0% interest and principal payment of $4,143 payable monthly, final payment due October, 2026, collateralized by three(3) Northeast Federal Fishery Permits.	356,214	404,328
Total Note Payable	356,214	404,328
Total Mortgages and Note Payable	2,737,493	2,856,200
Current portion	(121,667)	(109,008)
Long term portion	$ 2,615,826	$ 2,747,192

The following is a maturity schedule for the above-mentioned mortgages and note payables:

June 30	
2019	121,667
2020	127,601
2021	133,734
2022	140,096
2023	146,705
Thereafter	2,067,690
	$ 2,737,493

The CDP incurred interest costs totaling $161,797 and $163,831 for the years ended June 30, 2018 and 2017, respectively, all of which were charged to operations.

NOTE J - GOVERNMENT MORTGAGES - DEFERRED	2018	2017
CDP - Deferred Financing provided by HUD		
Note payable to the Dept. of Housing and Community Development (DHCD) thru the Cape Cod Commission under the HOME Investments Partnership Program, 0.00% interest and balloon payment of $170,000 due March, 2037, collateralized by property located at 71 Canal Rd., Orleans, MA .	$ 170,000	$ 170,000
Note payable to the Barnstable County thru the Cape Cod Commission under the HOME Investment Partnership Program, 0.00% interest and balloon payment of $120,000 due March, 2037, collateralized by property located at 71 Canal Rd., Orleans, MA .	120,000	120,000
Note payable to Barnstable County thru the Cape Cod Commission under the HOME Investments Partnership Program, 0.00% interest and balloon payment of $166,000 due August, 2040, collateralized by property located at Gull Cottages, Eastham.	166,000	166,000
Note payable to Barnstable County thru the Cape Cod Commission under the HOME Investment Partnership Program, 0.00% interest and balloon payment of $60,000 due June, 2041, collateralized by property located at 27 Nelson Ave., Provincetown, MA .	60,000	60,000
Note payable to DHCD under the HOME Investments Partnership Program, 0.00% interest and balloon payment of $550,000 due April, 2032, collateralized by property located at 324 Old Kings Highway, Wellfleet, MA.	550,000	550,000
Note payable to Barnstable County thru the Cape Cod Commission under the HOME Investments Partnership Program, 0.00% interest and balloon payment of $175,000 due April, 2042, collateralized by property located at 324 Old Kings Highway, Wellfleet, MA.	175,000	175,000
Note payable to Barnstable County thru the Cape Cod Commission under the HOME Investments Partnership Program, 0.00% interest and balloon payment of $160,000 due July, 2044, collateralized by property located at 58 Harry Kemp Way, Provincetown, MA.	160,000	160,000

NOTE J - GOVERNMENT MORTGAGES - DEFERRED FINANCING (continued) :

	2018	2017
Note payable to the Barnstable County thru the Cape Cod Commission under the HOME Investments Partnership Program, 0.00% interest and balloon payment of $117,714 due October, 2055, collateralized by property located at 836 Main Street, Harwich, MA.	117,714	117,714
Note payable to the Barnstable County thru the Cape Cod Commission under the HOME Investments Partnership Program, 0.00% interest and balloon payment of $37,286 due October, 2055, collateralized by property located at 836 Main Street, Harwich, MA.	37,286	37,286
Note payable to DCHD thru the Town of Provincetown under the Housing Development Support Program CDBG, 0.00% interest and balloon payment of $176,373 due August, 2041, collateralized by property located at 27 Nelson Ave., Provincetown, MA .	176,373	176,373
Note payable to DCHD thru the Town of Harwich under the Housing Development Support Program CDBG, 0.00% interest and balloon payment of $493,000 due November, 2052, collateralized by property located at 17 & 19 Robert Lane, Harwich, MA .	493,000	493,000
Note payable to DCHD thru the Town of Eastham under the Housing Development Support Program CDBG, 0.00% interest and balloon payment of $248,400 due April, 2052, collateralized by property located at 1475 State Highway, Eastham, MA .	248,400	248,400
Default Conditional Note payable to The Resource, Inc. thru Housing Rehab Loan Program, 0.00% interest and payment in the amount of $40,163 due June 2020, collateralized by property located at 836 Main Street, Harwich, MA. (Forgiven at due date if loan conditions met.)	40,163	40,163
Total CDP Deferred Financing provided by HUD	2,513,936	2,513,936

NOTE J - GOVERNMENT MORTGAGES - DEFERRED FINANCING (continued):

	2018	2017
TCP - Deferred Financing provided by HUD		
Note payable to the Barnstable County thru the Cape Cod Commission under the HOME Investments Partnership Program, 0.00% interest and balloon payment of $550,500 due March, 2041, collateralized by property located at Thankful Chase Pathway.	550,000	550,000
Note payable to the Barnstable County thru the Cape Cod Commission under the HOME Investments Partnership Program, 0.00% interest and balloon payment of $150,000 due February 26, 2060, collateralized by property located at Thankful Chase Pathway.	150,000	150,000
Total TCP Deferred Financing provided by HUD	700,000	700,000
Total Deferred Financing provided by HUD	3,213,936	3,213,936
CDP - Other governmental agencies deferred loans:		
Note payable to the Massachusetts Housing Fund Board under the Massachusetts Housing Stabilization Fund, 0.00% interest and balloon payment of $400,000 due October, 2055, collateralized by property located at 836 Main Street, Harwich, MA.	400,000	400,000
Note payable to Massachusetts DHCD under the Housing Stabilization Program, 0.00% interest and balloon payment of $159,750 due July, 2044, collateralized by property located at 58 Harry Kemp Way, Provincetown, MA.	159,750	159,750
Note payable to the Massachusetts DHCD under the Affordable Housing Trust, 0.00% interest and balloon payment of $265,325 due October, 2035, collateralized by property located at 836 Main Street, Harwich, MA.	265,325	265,325
CDP - Other governmental agencies deferred loans:	825,075	825,075
Total CDP deferred governmental Financing	4,039,011	4,039,011
TCP - Other governmental agencies deferred loans:		
Thankful Chase Pathways, LLC secured financing from a Massachusetts Corporation, Community Economic Development Assistance Corporation (CEDAC), for a maximum amount of $350,000 due March 31, 2041. In the requirements of the Housing Innovations Funds are met, CEDAC may extend the maturity date for another ten (10) years period until March 31, 2051. Principal and interest payments are not required before the maturity dates unless the cash flow generated by the project exceeds 105% of the capital expenditures of the project. This loan is collateralized by property located at Thankful Chase Pathway.	350,000	350,000

NOTE J - GOVERNMENT MORTGAGES - DEFERRED FINANCING (continued) :

	2018	2017
Note payable to the Massachusetts Housing Partnership (MHP) at 0% interest, final payment due March 31, 2031, collateralized by property located at Thankful Chase Pathway.	400,000	400,000
Note payable to the Affordable Housing Trust, 0.00% interest and balloon payment of $600,000 due March, 2041, collateralized by property located at Thankful Chase Pathway.	600,000	600,000
Total TCP - Other governmental agencies deferred loans:	1,350,000	1,350,000
Total Government Mortgages - Deferred Financing	$ 5,389,011	$ 5,389,011

The following is a maturity schedule for the above-mentioned government mortgage payables:

June 30	
2019	$ -
2020	40,163
2021	-
2022	-
2023	-
Thereafter	5,348,848
	$ 5,389,011

The CDP incurred interest costs on the deferred governmental mortgages totaling $0 and $0 for the years ended June 30, 2018 and 2017, respectively.

The property located at 324 Old King's Highway in Wellfleet, Massachusetts consists of buildings, improvements and program equipment. The land is owned by the Wellfleet Housing Authority and leased to CDP through November 2061 at no cost.

NOTE K - RELATED PARTY TRANSACTIONS:

Board members also include employees of Cape Cod Five Cents Savings Bank and Seamen's Bank, which hold mortgage loans on property owned by CDP. These Board members do not have positions which affect the lending of funds to CDP.

NOTE L - ECONOMIC DEPENDENCY:

The CDP receives substantially all of its funding from federal, state, and county agencies. A loss in a funding source would have an adverse material effect on the Corporation. A summary of the significant funding categories and the governmental agencies follows:

	2018	2017
United States Department of Agriculture - Direct Loans	$ 959,989	$ 966,631
United States Department of Agriculture - Mortgage Interest Subsidy	45,762	45,762
United States Department of Agriculture - Rental Assistance	100,829	97,714
United States Department of Agriculture - Rural Enterprise Grant	50,186	91,639
United States Department of HUD-HOME Direct Loans Permanent	2,256,000	2,256,000
United States Department of HUD-CDBG Direct Loans Permanent	957,936	957,936
United States Department of HUD-CDBG Housing Rehab Grants	1,426,092	1,467,500
United States Department of HUD-Section 8 Rental Assistance	229,411	215,193
Massachusetts DHCD-Housing Stabilization Direct Loan Permanent	559,750	559,750
Massachusetts DHCD-Affordable Housing Trust Direct Loan Perm.	865,325	865,325
Massachusetts CEDAC-Affordable Housing Deferred Direct Loan	350,000	350,000
Massachusetts MHP-Affordable Housing Deferred Direct Loan	400,000	400,000
	$ 8,201,280	$ 8,273,450

NOTE M - SIGNIFICANT CONCENTRATIONS OF CREDIT RISK:

Concentrations of credit risk with respect to trade receivables and note receivables are limited due to the large number of customers comprising the CDP's customer base and their dispersion across differing industries and geographic areas. The CDP maintains its cash balances in various financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 for each institution. The CDP has bank balances at June 30, 2018 in excess of $250,000 at both Seamen's Bank and Cape Cod Five Savings Bank. The balances over $250,000 are covered by the Depositors Insurance Fund (DIF), in which Seamens Bank and CC5 Savings Bank have memberships. At June 30, 2018 and 2017, the CDP's uninsured cash balances totaled $0 and $0, respectively.

NOTE N - CONTINGENT LIABILITIES:

The CDP receives a substantial portion of its revenues from various government contracts; all of which are subject to audit by the applicable government agency. Should an audit be conducted and result in any disallowed costs, the CDP would be liable for such disallowed amounts. In management's opinion, liability, if any, resulting from such an audit would not have a material adverse effect on the CDP's financial position. Additionally, other contracts entered into with the agency contain compliance provisions which require the CDP to adhere to specified operating methods and procedures. In the event of noncompliance, the Agency has the discretion to demand immediate repayment of the note payable described in Note I.

NOTE O - PENSION PLAN:

CDP established a SIMPLE IRA Plan as an employee benefit program as defined under Section 401(k) of the U.S. Internal Revenue Code. Eligible employees are able to elect employee deferred amounts in accordance with IRS guidelines. CDP matches employee elective deferrals up to a match of 3% of eligible employee compensation. Pension expense was $15,105 and $14,677 for the years ended June 30, 2018 and 2017, respectively.

NOTE P - CONSOLIDATING SCHEDULE OF FINANCIAL POSITION AND ACTIVITIES:

	June 30, 2018		
	CDP	TCP	TOTAL
Current Assets:			
Cash Accounts	$ 1,084,717	$ 99,267	$ 1,183,984
Restricted Capital Reserve Cash Accounts	352,689	82,645	435,334
Escrow Accounts	195,940	10,772	206,712
Accounts Receivables	543,773	1,412	545,185
Rent Receivables	24,241	-	24,241
Prepaid expenses	74,997	6,091	81,088
Security deposits	30,991	12,622	43,613
Loans receivable, current portion	142,217	-	142,217
Total Current Assets	2,449,565	212,809	2,662,374
Fixed Assets:			
Land	1,129,203	-	1,129,203
Buildings and equipment	6,373,127	3,644,685	10,017,812
Total Fixed Assets	7,502,330	3,644,685	11,147,015
Accumulated depreciation	(2,836,322)	(880,799)	(3,717,121)
Net Fixed Assets	4,666,008	2,763,886	7,429,894
Other Assets:			
Inventory: Fishing permits	600,000	-	600,000
Loans receivable, long term (net of loan losses of $22,000 and $18,719 respectively)	178,848	-	178,848
Total Other Assets	778,848	-	778,848
Total Assets	$ 7,894,421	$ 2,976,695	$ 10,871,116
Current Liabilities:			
Accounts payable	$ 75,071	$ 9,387	$ 84,458
Accrued expenses	116,408	-	116,408
Advance on grant contracts	500,003	-	500,003
Deposits payable	30,030	12,615	42,645
Mortgage payable, current portion	109,947	11,720	121,667
Total Current Liabilities	831,459	33,722	865,181

NOTE P - CONSOLIDATING SCHEDULE OF FINANCIAL POSITION AND ACTIVITIES (continued):

	For the Year Ended June 30, 2018		
	CDP	TCP	TOTAL
Long-Term Liabilities:			
Mortgage Payable - Private and Government	$ 1,654,910	$ 652,247	$ 2,307,157
Note Payable - Scallop Quota	308,669	-	308,669
Government Mortgages -	3,339,011	2,050,000	5,389,011
Total Long-Term Liabilities	5,302,590	2,702,247	8,004,837
Total Liabilities	6,134,049	2,735,969	8,870,018
Net Assets:			
Unrestricted	1,760,372	240,726	2,001,098
TOTAL LIABILITIES AND NET ASSETS	$ 7,894,421	$ 2,976,695	$ 10,871,116
Changes in unrestricted net assets			
Grant income	$ 1,980,703	$ -	$ 1,980,703
Program income	648,105	180,203	828,308
Contributions	466,653	1,200	467,853
Special events	22,255	-	22,255
Interest income	5,474	1,186	6,660
Other income	19,048	966	20,014
Total Revenues and Support	3,142,238	183,555	3,325,793
Expenses:			
Program	2,912,639	274,415	3,187,054
General and administrative	27,530	-	27,530
Fundraising	157,813	-	157,813
Total Expenses	3,097,982	274,415	3,372,397
Decrease in Net Assets	44,256	(90,860)	(46,604)
Net Assets, Beginning of Year	1,716,116	331,586	2,047,702
Net Assets, End of Year	$ 1,760,372	$ 240,726	$ 2,001,098

NOTE P - CONSOLIDATING SCHEDULE OF FINANCIAL POSITION AND ACTIVITIES (continued):

	June 30, 2017		
	CDP	TCP	TOTAL
Current Assets:			
Cash Accounts	$ 1,103,218	$ 89,902	$ 1,193,120
Restricted Capital Reserve Cash Accounts	312,279	76,106	388,385
Escrow Accounts	131,516	8,780	140,296
Accounts Receivables	312,138	2,488	314,626
Rent Receivables	22,127		22,127
Prepaid expenses	59,796	5,848	65,644
Security deposits	30,806	11,177	41,983
Loans receivable, current portion	155,560	-	155,560
Total Current Assets	2,127,440	194,301	2,321,741
Fixed Assets:			
Land	1,129,203	-	1,129,203
Buildings and equipment	6,362,649	3,644,685	10,007,334
Total Fixed Assets	7,491,852	3,644,685	11,136,537
Accumulated depreciation	(2,617,416)	(759,310)	(3,376,726)
Net Fixed Assets	4,874,436	2,885,375	7,759,811
Other Assets:			
Inventory: Fishing permits	600,000	-	600,000
Loans receivable, long term (net of loan losses of $18,719 and $31,623 respectively)	242,754	-	242,754
Total Other Assets	842,754	-	842,754
Total Assets	$ 7,844,630	$ 3,079,676	$ 10,924,306
Current Liabilities:			
Accounts payable	$ 107,660	$ 11,227	$ 118,887
Accrued expenses	115,413	-	115,413
Advance on grant contracts	355,814	-	355,814
Deposits payable	30,103	11,176	41,279
Mortgage payable, current portion	97,648	11,360	109,008
Total Current Liabilities	706,638	33,763	740,401
			-
Long-Term Liabilities:			-
Mortgage Payable - Private and	1,716,653	664,327	2,380,980
Note Payable - Scallop Quota	366,212	-	366,212
Government Mortgages - Deferred Financing	3,339,011	2,050,000	5,389,011
Total Long-Term Liabilities	5,421,876	2,714,327 -	8,136,203
Total Liabilities	6,128,514	2,748,090	8,876,604

NOTE P - CONSOLIDATING SCHEDULE OF FINANCIAL POSITION AND ACTIVITIES (continued):

	For the Year Ended June 30, 2017		
	CDP	TCP	TOTAL
Net Assets:			
Unrestricted	1,716,116	331,586	2,047,702
TOTAL LIABILITIES AND NET ASSETS	$ 7,844,630	$ 3,079,676	$ 10,924,306
Changes in unrestricted net assets			
Grant income	$ 1,947,270	$ -	$ 1,947,270
Program income	638,574	175,782	814,356
Contributions	324,782	600	325,382
Special events	35,572	-	35,572
Interest income	3,769	558	4,327
Other income	24,071	672	24,743
Total Revenues and Support	2,974,038	177,612	3,151,650
Expenses:			
Program	2,809,828	272,585	3,082,413
General and administrative	33,380	-	33,380
Fundraising	123,840	-	123,840
Total Expenses	2,967,048	272,585	3,239,633
Decrease in Net Assets	6,990	(94,973)	(87,983)
Net Assets, Beginning of Year	1,709,126	426,559	2,135,685
Net Assets, End of Year	$ 1,716,116	$ 331,586	$ 2,047,702

NOTE Q - SUBSEQUENT EVENTS:

CDP has evaluated subsequent events through December 13, 2018, the date which the financial statements were available to be issued. As of December 13, 2018, there were no other subsequent events to report.

COMMUNITY DEVELOPMENT PARTNERSHIP
AND THANKFUL CHASE PATHWAYS, LLC
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

Federal Grantor/Pass through Grantor/Program or Cluster title	Federal CFDA #	Federal Expenditures
Type A Programs:		
U.S. Department Of Housing and Urban Development		
HOME Investment Partnership program deferred non interest mortgage loans	14.239	$ 2,256,000
CDBG - Small Cities Program; Thru Massachusetts DHCD Housing Housing Development support program deferred non interest mortgage loans	14.228	957,936
CDBG - Small Cities Program; Thru Massachusetts DHCD Thru Towns of Dennis and Truro, Massachusetts housing rehabilitation grants	14.228	1,426,092
U.S. Department Of Agriculture		
Rural Rental Housing Mortgage Loan	10.415	959,989
Rural Rental Housing Mortgage Loan interest subsidy	10.415	45,762
Rural Development Rental Assistance Payments	10.427	100,829
Type A Total		5,746,608
Type B Programs:		
U.S. Department Of Housing and Urban Development		
Section 8 - Rental Assistance	14.855	229,411
U.S. Department of Agriculture		
Rural Business Enterprise Grant	10.769	42,086
U.S. Department of Agriculture		
Farmers Market Promotion Program	11.307	8,100
Type B Total		279,597
Total Federal assistance		$ 6,026,205

Type A programs are determined to be the larger of $750,000 or three (3) percent of total federal awards expended if total awards exceed $750,000. There were no awards received that were passed through to subreceipients.

The accompanying notes are an integral part of these financial statements

COMMUNITY DEVELOPMENT PARTNERSHIP AND THANKFUL CHASE PATHWAYS, LLC

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2018

NOTE A - BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Community Development Partnership and Thankful Chase Pathways, LLC under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of Community Development Partnership and Thankful Chase Pathways, LLC it is not intended to and does not present the financial position, changes in net assets, or cash flows of Community Development Partnership and Thankful Chase Pathways, LLC.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the *Uniform Guidance and OMB Circular A-122, Costs Principles for Non-Profit Organizations,* wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C - INDIRECT COST RATE:

Community Development Partnership and Thankful Chase Pathways, LLC has elected not to use the 10% de minimums indirect cost rate allowed under the Uniform Guidance. There are no cost reimbursement contracts.

NOTE D - FEDERAL AWARDS EXPENDED FOR LOAN OR LOAN GUARANTEE PROGRAMS:

Balances of loans and loan guarantee programs outstanding as of June 30, 2018 for loans described in 2 CFR section 200.502(b) are as follows:

CFDA #	*Program name*	*Beginning balance as of 6/30/17*	*New loans from 7/1/17-6/30/18*	*Outstanding balance as of 6/30/18*
14.239	HOME Investment Partnership program deferred non interest mortgage loans	$ 2,256,000	$ -	$ 2,256,000
14.228	Small Cities Program deferred non interest mortgage loans	957,936	-	957,936
10.415	Rural Rental Housing Mortgage Loan and interest subsidy	1,012,393	-	1,005,751
	Total	$ 4,226,329	$ -	$ 4,219,687

The accompanying notes are an integral part of these financial statements

SWE
SANDERS, WALSH & EATON, LLC
CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Community Development Partnership and Thankful Chase Pathways, LLC
Eastham, Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the consolidated financial statements of Community Development Partnership and Thankful Chase Pathways, LLC (nonprofit organizations), which comprise the consolidated statement of financial position as of June 30, 2018, and the related consolidated statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 13, 2018.

Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered Community Development Partnership and Thankful Chase Pathways, LLC 's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Development Partnership and Thankful Chase Pathways, LLC's internal control. Accordingly, we do not express an opinion on the effectiveness of Community Development Partnership and Thankful Chase Pathways, LLC 's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether Community Development Partnership and Thankful Chase Pathways, LLC 's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sandberg, Walsh & Eastman, LLC

December 13, 2018

SWE
SANDERS, WALSH & EATON, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Community Development Partnership and Thankful Chase Pathways, LLC
Eastham, Massachusetts

Report on Compliance for Each Major Federal Program
We have audited Community Development Partnership and Thankful Chase Pathways, LLC's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Community Development Partnership and Thankful Chase Pathways, LLC's major federal programs for the year ended June 30, 2018. Community Development Partnership and Thankful Chase Pathways, LLC's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility
Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility
Our responsibility is to express an opinion on compliance for each of Community Development Partnership and Thankful Chase Pathways, LLC's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulation, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Community Development Partnership and Thankful Chase Pathways, LLC's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Community Development Partnership and Thankful Chase Pathways, LLC's compliance.

Opinion of Each Major Federal Program
In our opinion, Community Development Partnership and Thankful Chase Pathways, LLC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance
Management of Community Development Partnership and Thankful Chase Pathways, LLC is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Community Development Partnership and Thankful Chase Pathways, LLC's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Community Development Partnership and Thankful Chase Pathways, LLC's internal control over compliance.

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A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Sandow, Walsh & Eatony LLC

December 13, 2018

COMMUNITY DEVELOPMENT PARTNERSHIP AND THANKFUL CHASE PATHWAYS, LLC

Statement of Findings and Questioned Costs

For the Year Ended June 30, 2018

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unmodified opinion	
Internal control over financial reporting:		
Material weakness(es) identified?	____ yes	x no
Reportable condition(s) identified not considered to be material weaknesses?	____ yes	x none reported
Noncompliance material to financial statements noted?	____ yes	x no

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	____ yes	x no
Reportable condition(s) identified not considered to be material weaknesses?	____ yes	x none reported
Type of auditor's report issued on compliance with major programs:	Unmodified opinion	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200. 516(a)?	____ yes	x no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
14.228	Community Development Block Grants/Entitlement Grants - Small Cities Program

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000	
Auditee qualified for low-risk auditee:	x yes	____ no

SECTION II - FINANCIAL STATEMENT FINDINGS

No reportable findings related to the Financial Statement Audit in accordance with *Government Auditing Standards*.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None