

# MASSACHUSETTS HOUSING PARTNERSHIP

## Fiscal Year 2017

### ***Mission***

MHP's mission is to significantly expand the supply and availability of affordable housing throughout the Commonwealth.

### ***Core Values and Capabilities***

- Providing financing for affordable housing on better terms and/or with greater flexibility than available elsewhere.
- Pioneering new development and financing models that make more effective use of public resources, are responsive to local needs, and achieve more impact than conventional approaches to affordable housing.
- Fostering civic leadership on affordable housing and breaking down local barriers to housing development through effective guidance, advocacy, research and technical support.

### ***Performance Goals***

#### ***Direct Impact***

- New loan commitments are accepted on 1,200 total rental units, including:
  - 750 newly constructed rental units, and
  - 600 rental units affordable to households below 60% of area median income that are newly-constructed and/or have at least ten years of extended affordability.

## ***Performance Goals (continued)***

- Close 700 ONE Mortgage loans or \$160 million in financing for historically underserved communities and borrowers (defined as loans in Gateway Cities and/or to households below 80% of area median income).
- Close 150 ONE Mortgage loans in the City of Boston.
- Provide technical assistance to support successful initiatives in at least five cities and towns that serve as positive examples of local leadership on multifamily housing production, cluster development, and/or regional collaboration.

### ***Financial Strength***

- Achieve unrestricted positive cash flow from operations of at least \$3.3 million
- Commit \$80 million in loan originations from all capital sources, including \$25 million in Fannie Mae loans
- Achieve a 5% net present value (NPV) for bank-financed loans pursuant to Chapter 102 and an 8% internal rate of return (IRR) for lending from all other capital sources.

### ***Product & Service Innovation***

- Broaden exposure to the ONE Mortgage among underserved households by establishing ongoing partnerships with at least six nonprofit organizations or municipalities (not including homebuyer education agencies) that administer asset-building, financial education and/or grant programs to low-income consumers.
- Use web based tools and social media (Facebook, Twitter, Google Search and Google Ads) to increase web traffic to an average of 400 visitors per day.

## ***Performance Goals (continued)***

### ***Leadership***

Combine MHP's direct lending and technical assistance programs with public leadership by MHP's board and staff to achieve significant improvements in the delivery system for affordable housing in Massachusetts. Specifically focus these efforts on:

- Advocating for comprehensive regional planning and land use reform legislation with a continued focus on multifamily housing and cluster development;
- Developing and proposing other state policies to reduce impediments to housing supply, including allocation of a portion of new state revenue resulting from housing growth to mitigate any adverse fiscal impacts of that housing on municipal budgets;
- Improving the effectiveness and accountability of local affordable housing funds (particularly municipal affordable housing trusts and Community Preservation Act funds) by promoting best practices, developing effective local strategies for town meeting and other approvals, and clarifying inconsistencies between the two state authorizing statutes;
- Promoting the supply and affordability of for-sale housing (through zoning, financing and other strategies) to improve recruitment and retention of the state's workforce.

An update on these leadership activities will be a regular agenda item at every MHP board meeting.

## ***Additional Performance Indicators***

(Reported to the board quarterly except where otherwise indicated.)

### FINANCIAL STRENGTH

- Capital ratio calculated as a percentage of credit exposure and number of months' operation supported by unrestricted cash.
- Dollar value of term sheets and commitments issued for prospective MHP multifamily loans.
- Dollar value of Project Eligibility Letters issued for prospective MHP-financed multifamily developments utilizing Chapter 40B.
- Dashboard page showing recent trends in portfolio quality, including changes in loan loss reserve balances.

### WORKFORCE IMPACT

- Number of households between 61% and 120% of area median income) served by MHP's ONE Mortgage and multifamily financing programs.

### MULTIFAMILY IMPACT

- New loans and portfolio refinance loans as a percentage of MHP's multifamily lending by dollar volume and by total units financed.
- Geographic/demographic profile of MHP's multifamily lending (to be reported annually).
- Number of MHP-financed units affordable to extremely low income households below 30% of median household income (to be reported annually).

### HOMEOWNERSHIP IMPACT

- Race, income and family characteristics of ONE Mortgage borrowers and neighborhood characteristics of properties financed (to be reported annually).
- Total ONE Mortgage loan closings, with breakdown of borrowers below 80% of median income and loans in Gateway Cities.
- Historical trends in SoftSecond/ONE Mortgage delinquency and foreclosure rates compared to other mortgage types.

### COMMUNITY/SOCIAL IMPACT

- Number of cities and towns served by MHP financing and technical assistance.
- Dollar volume of goods and services purchased by MHP from minority-owned and women-owned businesses as a percentage of total purchases (to be reported semi-annually)