

MASSACHUSETTS HOUSING PARTNERSHIP

Fiscal Year 2018

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 1,300 total rental units, including:
 - 650 newly constructed rental units, and
 - 700 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 125 ONE Mortgage loans in the City of Boston.
- Positively affect the trajectory of local housing development and zoning reform efforts in at least 25 cities and towns through direct technical assistance, third-party technical assistance, MHP sponsored training, or other direct staff engagement that is not necessarily sustained or in-depth.
- Provide technical assistance to support successful initiatives in at least three 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 \$3.5 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 HUD risk-share loans.

Product & Service Innovation

- Develop and implement a strategy to increase ONE Mortgage loan activity in underserved Gateway Cities and loans to borrowers below 80 percent of area median income (AMI) through targeted outreach to community organizations and new and existing lenders.
- 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 while developing desired action metrics tied to specific types of web visits.

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. These efforts will be specifically focused on:

- Working with the Baker Administration to advance meaningful incentives for cities and towns to adopt local housing strategies and local zoning and permitting practices that increase the supply of affordable housing;
- Establishing MHP's new Center for Housing Data as a credible and reliable source of information that: 1) makes significant contributions to the development of state housing policy, and 2) contributes to more well-informed press coverage and public discourse on housing issues in Massachusetts;
- Advocating for comprehensive regional planning and land use reform legislation with a continued focus on multifamily housing and cluster development;
- Improving the effectiveness and accountability of local affordable housing funds (particularly municipal affordable housing trusts and Community Preservation Act funds) by promoting best practices and developing effective local strategies for town meeting and other approvals.

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 workforce 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

- Characteristics cities and towns served by MHP financing and technical assistance (to be reported annually).
- 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).
- Current assessment of affordable housing needs in Massachusetts and MHP's impact in addressing those needs (to be reported annually).