Mission

MHP works with communities to create innovative policy and financing solutions that provide affordable homes and better lives for the people of Massachusetts.

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 projects totaling at least 3,600 housing units over the next three years (FY19-FY21).

- Loan commitments are accepted on 1,800 newly-constructed units over the next three years (FY19-FY21) (Note: for purposes of this goal newly-constructed units include mill and school conversions and other adaptive re-use projects).
Performance Goals (continued)

- Loan commitments are accepted on 1,800 newly-affordable low-income rental units (i.e., units that are newly-constructed or have at least 10 years of extended affordability) for households below 60% of area median income over the next three fiscal years (FY19-FY21).

- Close 725 ONE Mortgage loans or $175 million in financing for historically underserved communities and borrowers (defined as loans in Gateway Cities, to households below 80% of area median income, and/or to borrowers of color).

- Close 125 ONE Mortgage loans in the City of Boston.

Financial Strength

- Achieve unrestricted positive cash flow from operations of $10 million over the next three fiscal years (FY19-FY21)

- Achieve $2.5 million in received commitment and application fees over the next three fiscal years (FY19-FY21), with the lending activity in FY2019 providing a net present value (NPV) of at least 5%, and commit $50 million in Fannie Mae loans in FY 2019.

Product & Service Innovation

- Double social media referrals to MHP’s web site (Twitter, Facebook and LinkedIn) to 5% of web visits by working with lending, homeownership and community assistance teams and Center for Housing Data to create unique web content that supports their initiatives and effectively promoting that content on social media platforms.

- Create a short- and long-version “state of the state’s affordable housing” training module to be used by MHP staff in multiple communities to inform why we are in a housing crisis and what cities and towns can do to help.

- Create web-based templates and a corresponding training webinar to help local officials craft effective requests for proposals (RFPs) for production of affordable housing on municipal land.
Performance Goals (continued)

- Work with 15 communities to create municipal affordable housing trusts or to develop actionable next steps for their existing trusts including strategies to advocate for local funding.

- Develop and implement an interactive web-based data tool to assist cities and towns in understanding their housing needs and changes in their local demographics.

- Work with 20 participating ONE Mortgage lenders to successfully implement lower minimum credit scores.

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 implement the Housing Choice Initiative, which recognizes and rewards cities and towns that have permitted substantial amounts of new housing and/or adopted local housing strategies and zoning practices that increase the supply of affordable housing;

- Closing the data gap that currently prevents state policymakers from knowing where new housing is being produced, and at what density, in relation to jobs, transportation, and proximity to city, town and neighborhood centers;

- Advocating for comprehensive regional planning and land use reform legislation with a continued focus on multifamily housing, accessory dwelling units, cluster development, and the governor’s housing choice bill (to reduce the margin on certain local zoning votes from 2/3rds to a simple majority);

- Developing and proposing other state policies to reduce impediments to housing supply, particularly including mitigation of local school costs relating to new housing construction and improved septic system regulation;

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.
- Dashboard page showing recent trends in portfolio quality, including changes in loan loss reserve balances.

MULTIFAMILY IMPACT

- Leading indicators of future MHP multifamily loan volume including units and dollar value of term sheets and commitments issued and units and dollar value of Project Eligibility Letters issued for prospective developments utilizing Chapter 40B.
- 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

- Number of cities and towns served by MHP financing and technical assistance.
- Total ONE Mortgage loan closings and historical trends in SoftSecond/ONE Mortgage delinquency and foreclosure rates compared to other mortgage types
- Race, income and family characteristics of ONE Mortgage borrowers and neighborhood characteristics of properties financed (to be reported annually)

COMMUNITY/SOCIAL IMPACT

- 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)