

How housing helps people make it in Massachusetts



Making Ends Meet



Massachusetts Housing Partnership

2007 Annual Report

How MHP works

MHP is a privately-funded public non-profit affordable housing organization that works in concert with Governor Deval Patrick and the state Department of Housing and Community Development to help increase the supply of affordable housing in Massachusetts.

Thanks to a 1990 state law, MHP uses funds from the banking

industry to provide long-term financing for affordable rental housing at below-market rates. Bank acquisitions such as the acquisition of FleetBoston by Bank of America trigger the state statute that funds MHP. Since 1990, MHP has provided over \$541 million in loans and commitments for the financing of over 14,000 units of rental housing.

MHP also helps communities in their efforts to build housing and offers a mortgage program that has helped nearly 11,000 lower-income families achieve homeownership. In all its efforts, MHP focuses its resources on serving lower-income people in developments that have a community focus.

As required by Section 35 of Chapter 405 of the Acts of 1985, the 2007 Annual Report of the Massachusetts Housing Partnership Fund is respectfully submitted to:

Deval Patrick, Governor
Commonwealth of Massachusetts

Steven C. Panagiotakos, Chair
Senate Ways and Means Committee

Robert A. DeLeo, Chair
House Ways and Means Committee

Leslie A. Kirwan, Secretary
Executive Office for Administration and Finance

Table of Contents

Page 2	Home at last in Chelsea <u>Ismael Rosa finds independence at Janus Highland Apartments</u>
Page 4	Angel has landed in Springfield <u>Gordon Pulsifer fixes a building, and a life is turned around</u>
Page 6	Quest for affordability in the 'burbs <u>The Pierce family finds a place in their hometown—for now</u>
Page 8	Building a life in Stoughton <u>Three-bedroom at Quail Run just right for Tiombe Smith</u>
Page 10	Loving it in Lawrence <u>The Churches move into Washington Mills, put suburbs on hold</u>
Page 12	Owning some peace of mind <u>Hyacinth Doman realizes a dream and security for her family</u>
Page 14	The MHP staff <u>Our staff and board of directors</u>
Page 16	MHP by the numbers <u>Funding banks and financial summaries</u>

Letter from the Chairman and Executive Director

2007 was a year of upheaval in the Massachusetts housing market: home sales were slow, housing construction declined, and foreclosures increased. True to its history, MHP rose to these challenges. While other lenders were retreating from urban housing markets, MHP worked with local banks to help more than a thousand low-income families purchase their first homes. While development of new housing was getting more difficult, MHP financed new multifamily projects ranging from modest rental developments in smaller towns to large-scale apartment communities in Boston's suburbs.

Despite these new challenges, our underlying housing problem in Massachusetts remains the same: we are not producing enough housing to grow our economy, attract the workforce we need, or house our neediest citizens.

These are *solvable* problems. Our land use and zoning laws can be modernized to allow the private-sector housing production we need without giving cities and towns a veto over new development. Hundreds of millions of dollars of additional private-sector housing production funds can be stimulated by taking better advantage of the federal tax code. The housing delivery system can be streamlined to bring our financing and construction costs more in line with other states. Forward-thinking employers can help employees find housing within their price range. Mortgage companies can now be induced to offer responsible mortgage products that promote community stability rather than the reckless subprime products that brought us waves of foreclosures. And community support can be mobilized to allow development of new housing on scores of sites owned by municipalities and local housing authorities. MHP has been a leader—and has delivered tangible results—on every one of these cutting-edge issues, thanks to the efforts of our talented staff and dedicated board of directors.

MHP's mission is to identify bold housing solutions and champion their effectiveness. From our perspective, the need for an organization like MHP has never been greater. With the solid support we have seen from the Patrick Administration and from the House and Senate leadership, the opportunity to achieve success has never been better.



A handwritten signature in black ink, appearing to read 'Stanley J. Lukowski'.

Stanley J. Lukowski
Chairman

A handwritten signature in black ink, appearing to read 'Clark Ziegler'.

Clark Ziegler
Executive Director



Ismael “Izzy” Rosa always wanted to live in Chelsea because it’s near friends and family. But finding a home wasn’t simple. Rosa has muscular dystrophy.

In his quest, Rosa lived in a basement apartment that always flooded when the nearby laundry room drain pipe backed up, and in an apartment where the kitchen doorway was too small for him to enter and get a drink of water.

The construction of Janus Highland Apartments ended his search. He now lives in a ground-floor unit that is fully accessible. The 35-year-old Rosa can now focus on getting a job. He once worked in a hospital mail room and would like something like that again because “you meet a lot of people and I’m a friendly person.”

Janus Highland Apartments is part of an effort led by Chelsea Neighborhood Developers to turn an old industrial area into a mixed-income residential neighborhood. In addition to the 41 affordable rental units at Janus Highland, CND is developing a 26-unit affordable condominium project and Mitchell Properties is turning an old factory into 53 rental units.

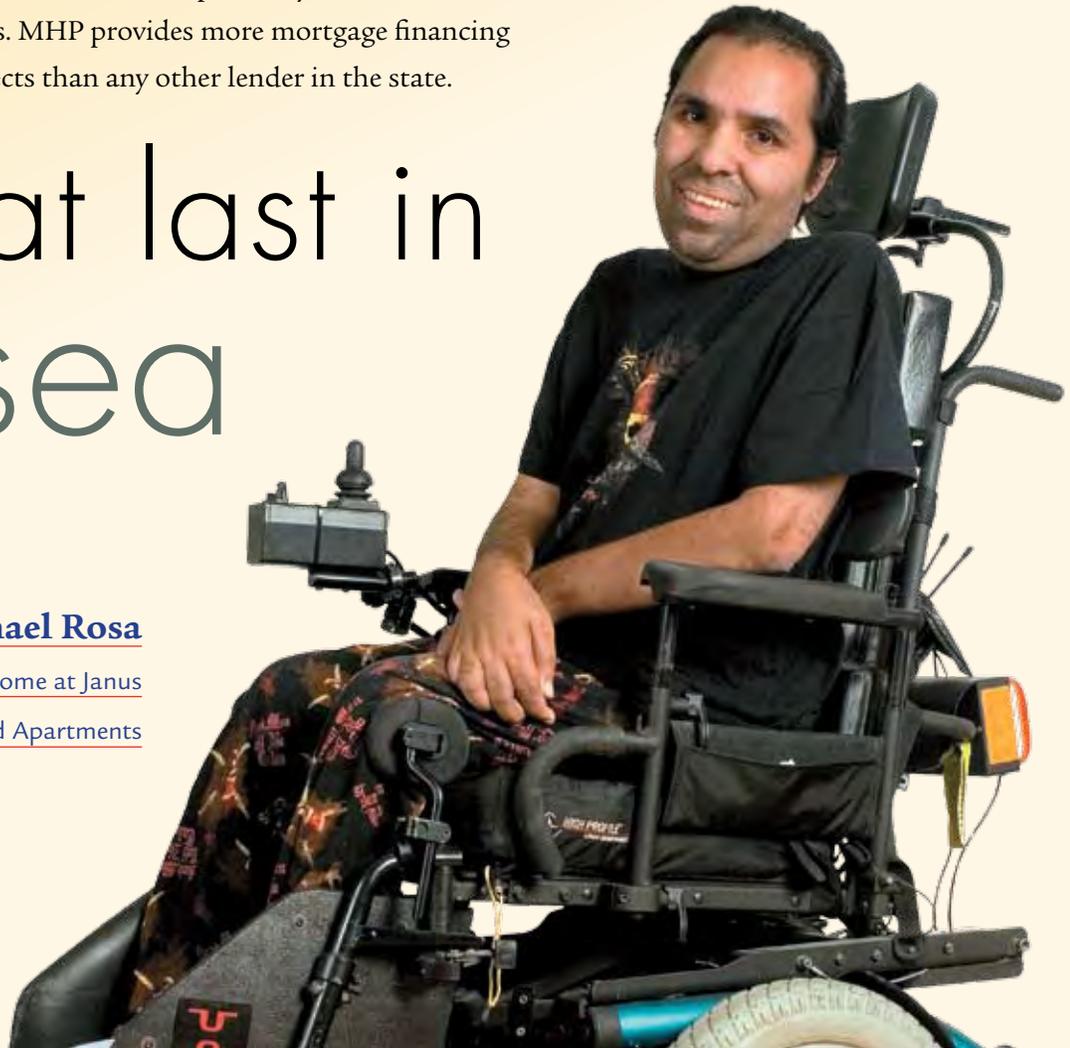
MHP supported Janus Highland with a \$1.1 million permanent loan. This is the third loan MHP has made to CND and the second loan in three years. In 2005, MHP provided \$6.1 million in bond financing to help CND refinance its 86-unit portfolio.

Janus Highland was financed primarily with low-income housing tax credits. MHP provides more mortgage financing for tax-credit projects than any other lender in the state.

Home at last in Chelsea

Ismael Rosa

Found an accessible home at Janus
Highland Apartments



Making things happen

A catalyst in the development of Janus Highland and the surrounding industrial area is Ann Houston, who has put her heart and soul into the city since joining Chelsea Neighborhood Developers as its

executive director in 2004. “Her knowledge of housing and her leadership skills have helped advance the cause of affordable housing,”



said City Manager Jay Ash. “We are so fortunate to have her dedication to making Chelsea a better place.”

Janus Highland Apartments

Chelsea



MHP in Boston

In Boston, MHP has used its bank-funded loan pool to provide over \$150 million in financing for over 4,000 units. The following are recent loans and commitments made in Boston and surrounding communities:

New Production

Chelsea— Janus Highland Apartments, Chelsea Neighborhood Developers, 41 units, \$1.1 million first mortgage.

Dorchester— Olmsted Green, Lena Park Community Development Corporation, 51 units, \$2 million first mortgage, \$750,000 second mortgage from Home Funders.*

Dorchester— Humphreys Street Apartments, Sojourner House, Inc., 11 units, \$320,000 first mortgage, \$100,000 second mortgage from Home Funders.*

Dorchester— 1460 House, VietAid Inc., \$736,000 first mortgage.

Dorchester— Dudley Village North, Dorchester Bay Economic Development Corporation, 24 units, \$875,000 first mortgage, \$400,000 second mortgage from Home Funders.*

Dorchester— Dudley Village South, Dorchester Bay Economic Development Corporation, 26 units, \$1.1 million first mortgage, \$450,000 second mortgage from Home Funders.*

Housing Renovation/Preservation

Dorchester— Norfolk Terrace, Codman Square Neighborhood Development Corporation, 18 units, \$573,700 first mortgage.

Fenway— Kilmarnock Street, Fenway Community Development Corporation, 22 units, \$1.4 million first mortgage.

Mattapan— Adams Court, Phase A, Nuestra Comunidad Development Corp., 50 units, \$2.5 million first mortgage.

Mattapan— Adams Court, Phase B, Nuestra Comunidad Development Corporation, 45 units, \$1.85 million first mortgage, \$450,000 second mortgage from Home Funders.*

Roxbury— Walnut House, Rogerson Communities, 34 units, \$600,000 first mortgage.

** Offered by MHP to help borrowers make more units available to lower-income families. Home Funders is funded by some of Greater Boston's most prestigious charitable institutions. It was founded by the Paul and Phyllis Fireman Charitable Foundation, The Highland Street Connection, The Hyams Foundation, The Boston Foundation, and the Mellon Charitable Giving Program/Peter E. Strauss Trust.*

Angel Rivera came to the U.S. from Puerto Rico when he was 14. He was a farm worker, joined the army, got married, drove a truck and had three sons. But a grinding road of family problems eventually took everything. In 2005, he found himself homeless in Springfield, thinking about “ending the miserable life I was living.”

Instead, he reached out to the Western Massachusetts Bilingual Veterans Outreach Center for help. He lived in a veterans’ shelter for a year, got back on his feet and kept busy, using his handyman skills to build an office for the staff.

One day, while walking around Springfield, he noticed construction at High Street Commons and inquired about an apartment. Today, he lives in an affordable one-bedroom unit. “This place makes me feel happy,” he said. “People see me here and know that I’m doing OK.”

High Street Commons was “as bad as it gets,” said Gordon Pulsifer. Once seized by the local housing court and slated for demolition, Pulsifer stepped in, acquired and rehabbed High Street into 71 affordable apartments. “This made me a believer in turnarounds,” he said.

MHP provided a \$750,000 long-term loan for High Street Commons and has since committed \$1.5 million to Pulsifer’s latest effort—the \$19 million revitalization of the 12-building Worthington Commons into 149 affordable rental units.

Both projects illustrate MHP’s experience with developers who tackle buildings in high-crime neighborhoods. “We know there are good people like Angel in these neighborhoods,” said Pulsifer. “They just need a good, safe place to live.”



Angel Rivera

Formerly homeless, now living at

High Street Commons

Angel has landed in Springfield

Resourceful developer

It's hard not to be impressed with Gordon Pulsifer (pictured at right). On the day MHP visited, he talked with one of his High St. tenants, realized he was having trouble and gave him a job. Later, he eyed the progress at Worthington Commons

and said "We've put \$15 million into a whole city block!"

Need a second opinion? "Gordon sets a high standard for development in Springfield," said



David B. Panagore, the city's chief development officer. "His determination and detailed approach continue to be instrumental in the transformation of the city's neighborhoods."



High Street Commons

Springfield

MHP in Springfield

MHP has used its bank-funded loan pool to provide technical assistance and over \$13 million in financing for over 1,000 housing units in Springfield. Recent efforts include:

Housing Renovation/Preservation

High Street Commons— First Resource Management Corporation, 55 units, \$750,000 first mortgage.

Liberty Hill Townhouses— Better Homes, Inc., 88 units, \$1.11 million first mortgage.

Worthington Commons— First Resource Management Corporation, 149 units, \$1.56 million first mortgage.

Neighborhood Revitalization— Technical Assistance

Liberty Hill— Assistance to the Liberty Hill Cooperative in evaluating restructuring of ownership and financing structure resulted in approval of MHP permanent financing.

Maple High/Six Corners— Staff and third party technical assistance to the Maple High/Six Corners neighborhood to develop a housing action plan resulting in additional private investment in the neighborhood.

40 High Street— MHP served as a housing expert for 40 High Street, which was seized and put into receivership by the local housing court. MHP's assistance led to the property's redevelopment.

The Pierce family story illustrates what can happen when we don't build enough housing to sustain the economy. Michael and Michelle Pierce grew up in Groton, got married, settled in southern New Hampshire and lived on Michael's \$22-an-hour salary as a sheet metal fabricator in Methuen, making things like chassis for large computers.

As expenses grew, they decided to try North Carolina. But finding the right job proved difficult, so they came back. Mike got his old job back, they lived with his mother for a while before finding a \$916-per month apartment at Sandy Pond Road in Groton. They love everything about it except that it's a two-bedroom. With home prices still high, moving down south is still on the table.

"The reason why so many people are heading south is because there's a lot more variety in housing," said Michael. "There are \$700,000 houses and \$180,000 houses. We aren't looking for something luxurious, just something reasonable."

Sandy Pond Road was created through Groton's inclusionary zoning bylaw, which requires that 15 percent of the units must be affordable in new developments of 10 units or more. When a builder proposed 84 single-family homes, the town allowed the affordable units to be built on a nearby site owned by the builder. The town wanted these units developed as rental housing and explored having the housing authority buy the units.

MHP helped the housing authority negotiate the terms of the purchase and then helped finance the purchase through a state pilot program that promotes small-scale production in smaller communities.

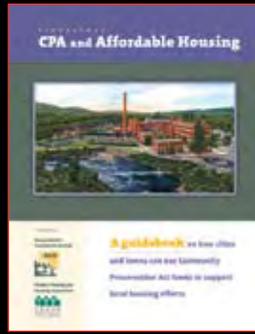
The Pierce family at home in Groton

Michael and Michelle Pierce with children Mikaela and Jonathan

Quest for affordability in the 'burbs



Helping the Groton Housing Authority is just one example of how MHP supports communities. MHP holds trainings for local officials and



It all starts in the community

provides staff and financial support to communities trying to build affordable housing.

Special events in 2007 included training for housing authorities and a

two-day intensive housing institute. In 2008, MHP will co-sponsor a new planning grant program for housing authorities and will publish a new guidebook on how to use Community Preservation Act Funds for affordable housing.



Sandy Pond Road

The Groton Housing Authority

MHP supports communities

MHP's Community Housing Initiatives team provides sustained advice and technical assistance to communities and housing authorities. Ongoing efforts receiving MHP support include:

Foxborough— Provided technical assistance to the housing authority and also a \$2.68 million first mortgage and a \$750,000 deferred payment second mortgage for the construction of 18 rental units on a former state hospital site.

Groton— MHP provided technical assistance to the housing authority and also a \$507,000 first mortgage loan to help purchase nine rental units built through an inclusionary zoning bylaw triggered by another development in town.

Hingham— MHP is providing technical assistance to the Hingham Housing Authority for the development of 50 units on a former military site.

Provincetown— MHP is providing technical assistance to help identify a developer who will construct at least 40 units of mixed-income housing.

Westport— MHP is providing technical assistance for the development of 54 affordable units on two town-acquired sites. A developer has been chosen and the project is in the permitting process.

Tiombe Smith found a three-bedroom at Quail Run and what this means to her is this: It's big enough for her fiancé Tommy and her two nephews, Brenden and Evan Taylor, who she has raised since pre-school. Her nephews each have a room of their own and live in the town where they go to school. They no longer live in Boston and spend hours on buses so they can attend suburban schools.

All are part of Stoughton. Brenden starred in football at Stoughton High and earned a full scholarship to Stonehill College. Evan stars in football and basketball at Stoughton. Smith is a manager at McDonald's. Her fiancée works at nearby Rentals Unlimited. Together, they make \$65,000. Their rent is \$1,495 a month.

When asked to describe the housing situation for working families, Smith said, "You're either doing really well and living in a big house or you're working class and struggling. I'd love to see more places like this."

Quail Run was financed with housing tax credits, a construction loan from Bank of America and an \$8.1 million long-term loan from MHP. Of the 132 units, 105 are affordable.

Quail Run was built under Chapter 40B, the state law that allows developers to build at greater densities than local zoning allows in communities where less than 10 percent of the housing is affordable.

By approving Quail Run, Stoughton boosted its affordable housing supply to 12 percent, meaning the town now has freedom to approve or deny any future 40B proposals.



Building a life in Stoughton

Tiombe Smith

With (l-r) nephews Brenden, Evan and fiancé Tommy



No stranger to this area

While much of its residential development is in Florida, the Gatehouse Group is no stranger to the suburbs south of Boston. Headquartered in Mansfield, Mass., Gatehouse began

developing apartments in Rhode Island and has since built Ch. 40B rental housing developments in Franklin, Plainville, Raynham, Stoughton and Walpole.

“We live in Massachusetts and know that the suburbs around Route

495 are underserved in terms of market-rate and affordable rental housing,” said Marc Plonskier, president of Gatehouse. “That’s why our mixed-income apartments have done well. They are always full and there is very little turnover.”



Quail Run

Stoughton

MHP in the suburbs and small communities

MHP finances affordable rental housing in suburbs and smaller towns. The following is a list of recent MHP loans and commitments:

New Production

Amherst— Main Street Apartments, Valley Community Development Corporation, 11 units, \$268,000 first mortgage and \$750,000 deferred-payment second mortgage loan.

Northampton— 46-48 School Street, Valley Community Development Corporation, eight units, \$100,000 first mortgage, \$600,000 deferred payment second mortgage.

New Production/40B

Canton— Windsor Woods at Canton, Criterion Development Partners, 192 units, \$15 million first mortgage.

Foxborough— Foxborough Housing, The Foxborough Housing Authority, 18 units, \$2.68 million first mortgage, \$750,000 deferred payment second mortgage.

Middleborough— The Residences at the Groves, Debbie Blais Real Estate, Inc., 36 units, \$1.74 million first mortgage.

Stoughton— Quail Run Apartments, Gatehouse Group LLC, 132 units, \$8.1 million first mortgage.

Preservation

Framingham— Irving Square Apartments, E.A. Fish Associates, 46 units, \$3.29 million first mortgage.*

* Financed through MHP’s MATCH program, which gives borrowers access to tax credits and lower tax-exempt interest rates.



Loving it in Lawrence

Bruce and Maggie Church

are people that cities like Lawrence hope to attract. Ivy League-educated, they put off buying a suburban home, opting for a 1,700-square foot loft apartment at Washington Mills. “Renting was an option because we weren’t interested in getting into the housing market right now,” said Bruce Church, who commutes most days by train to his bio-tech job in Cambridge.

The Churches love the light that streams in their large windows, love living within walking distance of a playground and Tripoli’s Bakery, where they often go for pastry.

Amelia Church

with her parents, Maggie and Bruce

Maggie Church, an urban planner, says she likes Lawrence because the people have a deep commitment to where they live. “You don’t find that in larger cities. Everything is more transient,” said Church. “Lawrence feels like a place that’s recreating itself.”

Washington Mills is an adaptive reuse of a historic mill into 155 apartments. The 139 market-rate units rent from \$1,100 to \$2,175 for the more spacious two-bedroom lofts. Sixteen units are affordable due to a city zoning law that promotes mill redevelopment, as long as 10 percent of the units are affordable. The rents for these units range from \$925 to \$1,100 for a two-bedroom.

Normally a lender to projects with a higher percentage of affordability, MHP made its \$13.25 million loan (plus an additional \$4.3 million loan participation with Bank of America) through a new MHP program that supports mixed-income housing and downtown revitalization.

“Cities like Lawrence are trying to find their way back,” said Clark Ziegler, MHP’s executive director. “This is an example of being flexible and doing what needs to be done.”

Development co-stars

Washington Mills was co-developed by the Architectural Heritage Foundation (AHF) and the Banc of America Community Development Corporation, a Bank of America subsidiary that promotes neighborhood revitalization. The effort also received financial

support from the city. “The Architectural Heritage Foundation and Bank of America have done a great job preserving a symbol of this city’s great industrial history,”



said Lawrence Mayor Michael Sullivan. “They have invested their experience and resources to create housing that will result in greater economic opportunities for our residents.”



Washington Mills Building No. 1

Lawrence

MHP invests in Massachusetts’ smaller cities

MHP has long supported the development and preservation of affordable rental housing in the state’s smaller and mid-sized cities. The following is a list of recent loans and commitments:

Lawrence— Farnham Court, Lawrence Community Works, 11 units, \$230,000 first mortgage and a \$750,000 deferred payment second mortgage.

Lawrence— Washington Mills Building No. 1, Architectural Heritage Foundation and Banc of America Community Development Corporation, 155 units, \$13.25 million permanent first mortgage.

New Bedford— Saint Anne’s Rectory, Community Action for Better Housing, 17 units, \$230,000 first mortgage.

Worcester— 1-7 Piedmont Street, Worcester Common Ground, 12 units, \$363,000 first mortgage commitment and a \$750,000 deferred payment second mortgage commitment.

Worcester— Eddie’s Market, Worcester Common Ground, six units, \$430,000 first mortgage and a \$450,000 deferred payment second mortgage.

H **Hyacinth Doman** drives a train for the MBTA. Her husband Andrew drives a cab. Their children go to good schools—Sasia and Toya at Brookline High, Christopher at the Boston Arts Academy and Bianca in Swampscott. Since moving to Boston from Jamaica in 1989, the Domans have always rented. This began to worry Hyacinth. Where would her family live if something ever happened to her?

So she began to plan. She took homebuyer education classes. She saved every penny. She asked her friends where to get a loan. She called some “1-800” numbers. She knew what she was hearing was too good to be true.

She decided that a SoftSecond Loan from Bank of America and MHP was best. In August 2007, she bought a home in Dorchester through the City of Boston’s 1st Home Program. She paid \$220,000. Her mortgage is \$1,350 a month. “I got a mortgage that I can afford,” she said.

And a home her family can always return to.

The **SoftSecond Loan Program** for low and moderate-income first-time homebuyers achieved two milestones in 2007. First, the loan to Hyacinth Doman was the program’s 10,000th loan. Second, the program made 1,138 loans in 2007, the most it has made in a single year since it was founded in 1991.

SoftSecond works by combining a first and second fixed-rate mortgage from a bank with a small state subsidy.

This keeps monthly mortgage payments low and it’s why SoftSecond has low delinquency and foreclosure rates, and why homeowners like Hyacinth Doman have peace of mind.

MBTA subway driver
Hyacinth Doman

with her children (l-r) Toya, Bianca, Sasia
and Christopher



Owning some
peace of mind

Helping employees become homeowners

Following the success of a pilot program with the City of Worcester and UMass Memorial Health Care, MHP and the Patrick



Administration put the finishing touches on a new program designed to help Massachusetts employers recruit and retain employees. Called MassWorks, the program encourages

Massachusetts employers to invest in their employee's home purchase by matching employer contributions with state funds, in conjunction with the SoftSecond Loan Program. For more information, call MHP at 617-330-9955 x293.



SoftSecond's 10,000th loan

The Doman home in Boston

SoftSecond— Making homeownership affordable

Created in 1991 to address racial disparities in Boston mortgage lending, SoftSecond was soon taken statewide and has now helped over 10,700 families purchase their first home. In 2007, 1138 low and moderate-income families used SoftSecond. Here's the breakdown by region, with the average income of borrowers in parentheses:

Boston— 275 (\$52,816)
Metro North— 185 (\$50,514)
North Shore— 64 (\$48,951)
Merrimack Valley— 120 (\$48,287)
Metro South— 61 (\$51,546)

South Shore— 28 (\$52,474)
Southeastern— 121 (\$47,099)
Cape & Islands— 28 (\$47,313)
MetroWest— 81 (\$50,994)
Central Mass.— 87 (\$47,876)
Western Mass.— 82 (\$39,639)

* SoftSecond combines a traditional first mortgage from a bank with a second mortgage that is backed by a small state subsidy. Sponsoring banks include Bank of America, Boston Private Bank & Trust, Cambridge Savings Bank, Central Bank, Chelsea Provident, Citizens Bank, Dedham Institution for Savings, Eastern Bank, Florence Savings Bank, Holyoke Credit Union, Marlborough Cooperative Bank, Meetinghouse Bank, Mt. Washington Bank, Rockland Trust Company, Savers Bank, Southbridge Savings Bank, Southern Mass. Credit Union, Sovereign Bank, Spencer Savings Bank, Stoneham Savings Bank, United Bank, Wainwright Bank, Webster Five Cent Savings Bank, Williamstown Savings Bank, and Winchester Cooperative Bank.

Executive/Legal

The executive/legal group oversees all aspects of MHP.



Clark L. Ziegler, Executive Director

Judith S. Jacobson, Deputy Director & General Counsel

Nancy Blueweiss, Associate General Counsel

Dolly Abberton, Paralegal & Loan Closing Coordinator

Patricia Josselyn, Executive Assistant

Ruston F. Lodi, Director of Public Affairs

Viviana Lopez, Public Affairs & Policy Assistant



MHP staff

Loan Funds



This group uses lines of credit from banks to make long-term, fixed-rate loans for affordable rental housing.

Mark Curtiss, Managing Director

David Rockwell, Director of Lending

Richard A. Mason, Deputy Director of Lending

Nancy A. Sampson, Loan Officer

Megan Magrane, Loan Officer

Amanda N. Roe, Loan Officer

Joshua Lappen, Assistant Loan Officer

Erin LaFortune, Lending Administrator

Geoff MacAdie, Director of Portfolio Management

Cynthia Mohammed, Portfolio Manager

Peter Fraser, Portfolio Manager

Brandon Boyle, Portfolio Manager

Constance Huff, Loan Servicing Coordinator

Thomas Hopper, Real Estate Portfolio Associate

Scott Goldstone, Real Estate Portfolio Associate



Community Housing Initiatives



The Community Housing Initiatives (CHI) team supports communities, local housing authorities, and non-profit organizations in their efforts to create affordable housing for low and moderate-income families.

Susan T. Connelly, Director of Community Housing Initiatives

Rita Farrell, Senior Advisor

Constance Kruger, Community Assistance Program Manager

Carole Spear, CHI Administrative Assistant

Homeownership | SoftSecond



This group manages the SoftSecond Loan Program, which is available statewide and has helped nearly 11,000 low and moderate-income families purchase their first home.

Gina Govoni, Homeownership Director

Kelly Maloy, SoftSecond Program Operations Manager

Ashleigh H. DeSimone, SoftSecond Loan Program Associate

Ircania Valera, SoftSecond Loan Program Associate

Virginia de Freitas Battersby, SoftSecond Loan Program Associate

Administration & Finance



This group combines to help run the day-to-day operations and track MHP's overall financial performance.

Charleen Tyson, Chief Financial & Administrative Officer

Ivette Ortiz, Human Resources & Finance Administrative Assistant

Jazmin Vasquez, Receptionist

Karen H. English, Director of Financial Operations

Dave Oteri, Chief Accountant & Treasury Manager

Scott MacIntyre, Information Technology Manager

Mike Stillwagon, Information Technology Assistant

MHP Board of Directors—2007



MHP is governed by a seven-member board of directors. Two are appointed by the governor, two are cabinet secretaries or their designees, and three are nominated by the Massachusetts Bankers Association.

CHAIR, **Stanley J. Lukowski**, Chairman Emeritus, Eastern Bank

VICE CHAIR, **Vincent C. Manzi Jr.**, Partner, Manzi & McCann, Lawrence, MA

SECRETARY & TREASURER, **Christopher Oddleifson**, President & CEO, Rockland Trust Company

MEMBER, **Tina Brooks**, Undersecretary of the Executive Office of Housing and Economic Development

MEMBER, **Jay Gonzalez**, Assistant Secretary for Capital Finance, Executive Office for Administration & Finance (Designee for Secretary Leslie Kirwan)

MEMBER **Nicolas P. Retsinas**, Director, Harvard University Joint Center for Housing Studies

MEMBER, **Richard C. Lawton**, Former President, Webster Five Cents Savings Bank

How MHP Is Funded

MHP was founded on the premise that housing solutions depend in part on private investment. This foundation was strengthened in 1990 when the legislature enacted the Interstate Banking Act, which requires that companies that acquire Massachusetts' banks make funds available to MHP for affordable housing.

This act addressed fears that bank industry consolidation might mean

less community investment, and it gave larger consolidated banks a way to continue to channel money deep into the community.

Bank transactions such as Bank of America's purchase of FleetBoston in 2004 trigger the state statute that funds MHP. MHP now has more than \$1.2 billion in its loan pool, meaning it will continue to play a major role in helping the state maintain and grow

its supply of affordable housing.

Since 1990, MHP has been a critical part of the state's effort to provide decent affordable housing. MHP has made over \$541 million in loans and commitments for the financing of over 14,000 units of rental housing. Most of these units are affordable and most serve lower and moderate-income people.

MHP by the Numbers

MHP Financial Summary

The Massachusetts Housing Partnership finances affordable housing and neighborhood development with private dollars from the following banks doing business in the Commonwealth.

Loans	Loan Agreements	Grants	
Bank of Ireland	\$ 2,149,221	Andover Bank	\$ 13,454
Bank of America	549,919,888	Bank Boston	10,000,000
Bank of New York	77,013,108	Bank of America	18,000,000
The Bank of Western Massachusetts	4,362,549	Citizens Bank of Massachusetts	2,595,451
Berkshire Bank	6,253,201	Fleet Boston Corporation	12,000,000
Cape Cod Five Cents Savings Bank	2,350,000	Lehman Brothers Bank, FSB	1,050,000
Citizens Bank of Massachusetts	32,937,599	TOTAL GRANTS	\$43,658,905
Danvers Savings Bank	247,402		
Flagship Bank & Trust Company	2,385,423		
Cathay Bank	336,393		
Great-West Life & Annuity Insurance Co.	3,498,075		
Hoosac Bank	853,819		
Mellon Bank	74,337,381		
NewAlliance Bank	5,623,137		
Slade's Ferry Trust Company	223,113		
State Street Corporation	99,119,067		
Sovereign Bank	172,306,577		
TD Banknorth	154,918,389		
United Commercial Bank	1,144,089		
Wainwright Bank and Trust Company	9,139,063		
Webster Bank	23,244,408		
TOTAL LOANS	\$1,222,361,902		

	As of June 30th 2007	As of June 30th 2006
Statement of Net Assets		
Cash and Investments	\$ 68,756,475	\$ 59,167,974
Program receivables, net of reserves	1,337,484	10,188,827
Project Loans, net of reserves	246,045,352	233,330,699
Prepaid expenses, equipment and other assets	530,065	673,605
TOTAL ASSETS	316,669,376	303,361,105
Accounts payable and accrued expenses	1,023,451	954,494
Accrued interest on project loans	1,001,942	1,021,108
Notes payable, project loans	244,494,330	231,750,757
Deferred income	20,674,445	17,196,394
Lease Payable	0	43,741
Soft Second Loan Program—loss reserves	13,516,600	12,782,292
TOTAL LIABILITIES	280,710,768	263,748,786
Net Assets—Invested in Capital Assets	340,575	435,370
Restricted Net Assets	24,390,842	29,427,566
Unrestricted Net Assets	11,227,191	9,749,383
TOTAL NET ASSETS	35,958,608	39,612,319
TOTAL LIABILITIES AND NET ASSETS	\$316,669,376	\$303,361,105

Statement of Revenue, Expenses & Changes in Net Assets

Income from direct lending, net of provision for loan losses	\$ 3,552,345	\$ 3,382,737
Grants and other private support	1,422,801	1,176,774
Federal, state and local government support	6,683,704	5,104,563
Earnings on bank deposits and investments	2,474,519	1,686,732
Other income	1,089,712	798,595
TOTAL REVENUES AND SUPPORT	15,223,081	12,149,401
Salaries and Benefits	3,838,457	3,579,676
Community outreach, training and publications	102,882	74,096
Occupancy and equipment	509,827	507,486
Professional fees and contracted services	631,379	499,782
First-time homebuyer mortgage subsidies and reserves (Soft Second)	6,049,245	4,641,590
Rental housing mortgage subsidies, reserves and grants	6,702,142	3,067,051
Other program costs	1,042,860	745,817
TOTAL PROGRAM AND OPERATING COSTS	18,876,792	13,115,498
CHANGE IN NET ASSETS	(\$ 3,653,711)	(\$ 966,097)

These financial statements summarize information from MHP's audited financial statements as of June 30, 2007, and are available on request.

160 Federal Street, Boston, MA 02110

TEL: 617-330-9955 • FAX: 617-330-1919

462 Main Street, Amherst, MA 01002

TEL: 413-253-7379 • FAX: 413-253-3002

www.mhp.net

CREDITS: COPYWRITER: RUSTON LODI DESIGNER: MERRYMAN DESIGN PHOTOGRAPHER: GREIG CRANNA



Massachusetts Housing Partnership
2007 Annual Report