



HomesRule

EVERY COMMUNITY IS PART OF OUR HOUSING SOLUTION



Massachusetts Housing Partnership
2005 Annual Report

HOW MHP WORKS

MHP is a privately-funded public non-profit affordable housing organization that works in concert with Governor Mitt Romney 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 much-needed 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's loan pool has grown to nearly a billion dollars. MHP has used this money to finance over 12,000 units of rental housing.

MHP also provides early guidance, technical assistance and financial support to help communities increase their supply of affordable housing. In homeownership, MHP administers the SoftSecond Loan Program, which has helped over 8,500 lower-income families buy their first home. In all its efforts, MHP focuses on serving low and moderate-income people in developments that have a community focus.

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As required by Section 35 of Chapter 405 of the Acts of 1985, the 2005 Annual Report of the Massachusetts Housing Partnership Fund is respectfully submitted to:

Mitt Romney, Governor
Commonwealth of Massachusetts

Robert A. DeLeo, Chair
House Ways and Means Committee

Therese Murray, Chair
Senate Ways and Means Committee

Thomas H. Trimarco, Secretary
Executive Office for Administration and Finance

LETTER FROM THE CHAIRMAN AND EXECUTIVE DIRECTOR



Clark L. Ziegler
Executive Director

Stanley J. Lukowski
Chairman



1985 MHP is created to find new ways to jump-start affordable housing efforts at the local level. In the next few years, MHP creates over 200 local housing partnerships and funds numerous housing efforts, including the Home-ownership Opportunity Program (HOP), which produces nearly 6,000 affordable homes.

RIGHT ABOVE: Elizabeth MacArthur, Robert Filmore and sons: Early HOP homeowners in Cambridge;
RIGHT BOTTOM: Battle Road Farm, Lincoln: An early HOP effort.



1985

This report tells the stories of a family that found a decent apartment after moving three times in a single year, a health care worker who bought a home after four years of effort, and local officials who enlisted a nonprofit to build affordable housing on town-owned land.

Why focus on these small triumphs when the Commonwealth is facing a major housing crisis? Because even the boldest housing solutions must be built on a foundation of local success.

Throughout our history, MHP has collaborated with cities and towns to expand the supply of affordable housing. Our work begins with technical assistance to communities trying to get housing efforts off the ground, continues with long-term financing for affordable rental housing development and extends to the SoftSecond Loan Program for first-time homebuyers. Through these efforts, we have provided support to more than 300 cities and towns, financed over 12,000 units of rental housing and helped over 8,500 families purchase their first home.

While proud of these accomplishments, we know our work is far from done. Massachusetts ranks among the lowest states in housing production and the highest in housing cost. We were the only state to lose population in each of the last two years. Evidence is mounting that local decisions artificially reduce housing construction, increase housing costs, and result in wasteful use of remaining land. The balance between “community” and “Commonwealth” seems to be broken.

At MHP we think that balance can be restored. The theme of MHP’s 20th anniversary—*Homes Rule*—speaks to the overriding importance of housing to our economic security. The tag line—*every community is part of our housing solution*—speaks to how that job gets done.

We cannot build our way out of this housing crisis by simply producing more housing on one and two-acre lots. We cannot spend our way out of the crisis by subsidizing housing development in a system paralyzed by development restrictions and high costs. And we cannot mandate our way out of the crisis by driving out the local discretion that makes each of our communities so unique.

The stories in this report illustrate the path to success. Getting local officials on board. Building cheaper and smarter. Making better use of land. Concentrating development near jobs and transit. Building at a scale that’s appropriate not just for cities and suburbs but also for smaller towns.

In their own determined way, towns like Westford and families like the Grants, Poys and Rodriguezes are leading the way for the rest of the Commonwealth.

Massachusetts Housing Partnership
2005 Annual Report

With their **new apartment** in **Allston**, the Grant family has a 'fighting chance'

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In Boston, MHP has provided \$146 million in loans for the financing of over 4,000 units of rental housing. The following is a list of recent MHP loans and financing commitments:

Preservation

ADAMS COURT – Nuestra Comunidad, 50 units, \$2.5 million

LONG GLEN APARTMENTS – Allston-Brighton CDC, 59 units, \$1.3 million first mortgage, \$750,000 deferred payment second mortgage from Home Funders* and a \$220,000 deferred payment loan from MHP's Lead Paint Demonstration Program

STANDISH VILLAGE – Senior Residences LLC, 85 units (105 beds), \$4.4 million

New Production

BRIAN J. HONAN APARTMENTS – Allston-Brighton CDC, \$2.7 million first mortgage and a \$550,000 deferred payment second mortgage from Home Funders*

CLARENDON Y – YWCA of Boston, 183 units (79 affordable), \$9 million

DARTMOUTH HOTEL – Nuestra Comunidad, 65 units, \$5.1 million

EGLESTON CROSSING – Urban Edge, 64 units, \$6.6 million first mortgage and a \$750,000 deferred payment second mortgage from Home Funders*

** 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.*

1990 MHP gains the ability to provide long-term financing for affordable rental housing after the state legislature passes a law requiring companies that acquire Massachusetts banks make funds available to MHP.

RIGHT: Daly House, Roxury: MHP's first loan; FAR RIGHT: Manager and resident at Daly House in the early 1990s.

Among other things, Shonnese Grant is a good writer. "I was trying to explain the housing market to my dad," wrote Shonnese Grant. "He lives in a small town in North Carolina. He was having a hard time understanding why we could not find a place. The adjective I used most frequently was 'ridiculous.' Rent in the decent, clean and safe areas is crazy high and the competition for apartments is fierce."

In 2004, Shonnese and husband Lamonte needed an affordable apartment to raise their growing family. Both deaf, they did not want to move away from family and friends. Lamonte, 39, was already busy as a \$26,000-per-year social worker at DEAF Inc. and full-time pastor at the Immanuel Deaf Church in Brighton. Shonnese, 34, wanted to focus on the joys and challenges of raising two children who can hear. Putting her Masters degree back to work would have to wait.

Countless families face this crisis everyday, locked in a low-wage world and torn between spending time with family versus working around the clock to pay for a decent place to live. For the Grants, this meant moving three times in a year while Shonnese was pregnant.

It's these types of stories that MHP tries to rewrite, using its bank-funded loan pool to help affordable housing developers like the Allston-Brighton Community Development Corporation (ABCDC). In 2005, ABCDC celebrated the opening of the Brian J. Honan Apartments in Allston. The Grants were chosen for one of the 50 new affordable rental apartments.

"I'm not sure you can imagine the relief and joy we felt," wrote Shonnese. "My oldest daughter was so happy to have room to run around and to have her own room. At first she would just go in there and lie down on the floor. Everything is so convenient now. Our church is a four-minute walk from here. DEAF Inc. is a three-minute walk. The grocery store is a two-minute walk. Now we can see the light at the end of the tunnel in terms of our finances and our debt. Everything won't be paid off tomorrow but at least now we feel like we have a fighting chance."



1990

BRIAN J. HONAN APARTMENTS, ALLSTON



Thanks in part to MHP financing, the Allston-Brighton Community Development Corporation was able to redevelop the site of the former Legal Seafoods fish processing plant into 50 units of attractive affordable rental housing.



In search of affordable housing to raise their family, Lamonte and Shonnese Grant moved three times in a year before moving into a ground-floor unit at the Brian J. Honan Apartments. They are shown here with daughters ReignYah, 2, and Cha'ya, 5 months.

In **Lynn**, parish redevelopment has domino effect

MHP also finances affordable rental housing in the state's small and mid-sized cities. The following is a list of recent MHP loans and commitments:

New Production

LYNN – St. Jean Baptiste, Archdiocese of Boston Planning Office for Urban Affairs, 24 units, \$1.1 million

NEW BEDFORD – Acushnet Commons, Women's Institute for Housing and Economic Development, \$105,000 first mortgage, \$200,000 deferred payment Home Funders* second mortgage.

NORTHAMPTON – Paradise Pond, HAP Inc., 12 units, \$100,000 first mortgage, \$134,000 deferred payment second mortgage

SPRINGFIELD – High Street Commons, Gordon Pulsifer, 55 units, \$750,000 first mortgage

TAUNTON – Robertson on the River, Weir Corp., 64 units, \$2.7 million**

WORCESTER – Eddie's Market, Worcester Common Ground, 6 units, \$416,000 first mortgage, \$450,000 deferred payment second mortgage

Preservation

CHELSEA – Chelsea Neighborhood Services Corp., 86 units, \$6.1 million first mortgage***, \$1.25 million deferred payment second mortgage and an \$815,000 deferred payment Home Funders second mortgage*

HOLYOKE – Verano Apartments, HAP Inc., 44 units, \$415,000

* Home Funders is offered by MHP to help borrowers make more units available to lower-income families.

** Also received support from MHP's Community Housing Initiatives group in the early stages of the development process.

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

One of the rewards of neighborhood reinvestment is when it's hard to tell the investment properties from the other houses that are also sporting fresh coats of paint.

That's the case in Lynn, where the redevelopment of the St. Jean Baptiste Parish property into a 24-unit affordable rental apartment building and 14 homeownership townhouses has sparked improvements up and down the street.

"This is a textbook case of how a development can have an impact on a neighborhood," said Lisa Alberghini, executive director of the Archdiocese of Boston's Planning Office for Urban Affairs (POUA).

The textbook begins with POUA, the city and local residents working on a comprehensive neighborhood plan and concludes with development financing that includes state and city HOME funds, state low-income housing tax credits and affordable housing trust funds, private financing from Bank of America and \$1.1 million in long-term financing from MHP for the rental portion of the project.

Knock on any door and one discovers how neighborhood improvement can have a domino effect on families too.

Take Veseth Poy, his wife Saoborey and son Allan. During the harsh, snowy winter of 2005, the family was paying \$1,100 a month, not including heat. For a two-bedroom at St. Jean's, they are paying \$785 a month, plus heat. A senior case worker at the Lynn Community Health Center, Poy makes \$36,000 per year. With the new apartment, he and his wife "Bo" can think about saving money and taking the next step in their young lives.

"This apartment is a stepping stone," said Veseth, who emigrated from Cambodia in 1985, graduated from UMass-Amherst in 1999 and moved to Lynn a year later to find work. "I would like to buy a house someday. Saving money is hard if you're paying high rent. A home is never really yours until you have your own space. That's the American dream, right?"



1991 MHP helps create the SoftSecond Loan Program for low and moderate-income first-time homebuyers. The program helped 250 homebuyers in its first year.

RIGHT: Boston's Florence Hagins and her daughter Andrea: First to purchase home with SoftSecond.

ST. JEAN BAPTISTE APARTMENTS, LYNN



Veseth, Saoborey and Allan Poy were the first family to move into St. Jean's Apartments. They hope the apartment will help them save enough money to buy a house someday.



The 24-unit St. Jean's Apartments was built on the site of the former St. Jean Baptiste Church. All apartments are affordable to families making less than 60 percent of median income, or no more than \$48,480 for a family of four.

When it comes to **housing** in the suburbs, **Andover** gets it

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

New Production

ANDOVER – Windsor Green, Criterion Development Partners, LLC, 191 units, \$15 million

BEDFORD – Patriot Place, Bruce Blake (developer), 10 units, \$785,000 first mortgage, \$420,000 deferred payment second mortgage

FALMOUTH – Edgerton Drive, Falmouth Housing Corp., 24 units, \$2.1 million first mortgage, \$750,000 deferred payment second mortgage

FALMOUTH – 704 Main St., Falmouth Housing Corp., 58 units, \$4.3 million

HARWICH – Sisson Road, Harwich Ecumenical Council for the Homeless, \$705,000 first mortgage, \$750,000 deferred payment second mortgage and a \$225,000 deferred payment Home Funders second mortgage*

WESTFORD – The Residences at Stony Brook, Common Ground Inc., 15 units, \$1.4 million first mortgage, \$750,000 deferred payment second mortgage

WESTHAMPTON – Westhampton Senior Housing, Hilltown CDC, 7 units, \$171,000 first mortgage, \$525,000 deferred payment second mortgage

Preservation

ARLINGTON – Housing Corp. of Arlington, 12 units, \$1.1 million first mortgage, \$834,000 deferred payment second mortgage

ANDOVER – Brookside Estates, Winn Development Corp, 28 rental units, \$1.9 million

BROOKLINE – John Clancy House, Brookline Improvement Coalition, 6 units, \$547,000 first mortgage and \$450,000 deferred payment second mortgage

STOW – Plantation Apartments, Stow Elderly Housing Corp., 50 units, \$2.8 million**

* Home Funders is offered by MHP to help borrowers make more units available to lower-income families.

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

Some think the affordable housing law known as Chapter 40B is all about giving developers carte blanche to build as many units as they want. Lost in the criticism is the law's message that all communities share in the responsibility to provide affordable housing and that 40B gives communities the opportunity to make sure the development is a good one.

Andover gets the message. "The town has historically viewed Chapter 40B as a tool to achieve a balanced housing agenda," said Stephen L. Colyer, who retired this past year after 21 years as the town's chief planner.

In 2004, the Citizens' Housing and Planning Association (CHAPA) gave Andover a municipal award for its efforts to create and preserve affordable housing, noting that in a five-year period it had used 40B to produce 459 housing units. "Andover is proof that affluent suburban communities can create housing to meet the diversity of needs in their communities," said Aaron Gornstein, CHAPA's executive director.

MHP provided financing for two recent efforts, committing \$15 million for the development of 191 rental units to be known as Windsor Green at Andover, and \$1.9 million to help the town's efforts to preserve the 42 affordable units at Brookside Apartments, an existing 168-unit 40B that was being converted into condominiums.

In dealing constructively with 40B, 10 percent of Andover's housing is now considered affordable, meaning it no longer has to accept 40B proposals. Colyer cited a strong local housing partnership, zoning laws that promote affordable housing and a philosophy that stresses negotiation over confrontation as reasons for the town's affordable housing success.

"Now, we have some breathing room," said Colyer. "We have the freedom to do our own local initiatives to increase and maintain our supply of affordable housing."

1994 MHP teams with the Massachusetts Housing Investment Corporation to offer OneSource, a combined construction and permanent loan program designed to cut costs and red tape.

RIGHT: Bow Street, Somerville: From nearly abandoned to rehabbed, using OneSource.



1994

WINDSOR GREEN, ANDOVER



Criterion Development Partners is building 191 rental apartments just off Route I-93 in Andover. MHP provided Criterion with the project eligibility letter necessary to pursue a comprehensive permit, and \$15 million in long-term financing.

Andrew S. Kaye (far left), executive vice president for Criterion, said Andover is “farsighted in dealing with developers.” He is shown here with (l-r) local attorney Robert W. Lavoie, Andover Senior Planner Lisa Schwarz and Andover Planning Director Stephen L. Colyer.

With desire and land, **Hingham** hopes to **build housing** on old military site

H I G H T S

MHP's Community Housing Initiatives team provides sustained advice and financial assistance to communities and housing authorities that are trying to increase their supply of affordable housing. Ongoing efforts receiving MHP support include:

- AMHERST** – 10 to 15 units on housing authority site (see P. 12)
- BEDFORD** – 15 units on town land
- CHATHAM** – 47 units (housing authority and town land)
- DENNIS** – 28 units on town land
- GROTON** – 9 units via inclusionary zoning
- HINGHAM** – 40 to 50 units on old army site
- LINCOLN** – 15 to 20 units above retail
- TRURO** – 14 units on town land
- WELLFLEET** – Homeownership and rental
- WESTFORD** – 15 units completed in 2005 (see P. 13)
- WORCESTER** – Homeownership initiative (see P. 10)

Since 1999, MHP has provided 184 grants to help towns negotiate with developers proposing to build housing under state law known as 40B. All told, 130 towns have used the program. In FY 2005, grants were awarded to:

ARLINGTON	GRAFTON	NORTHBOROUGH
AYER	HANSON	NORWELL
BOURNE	HARWICH	PEPPERELL
BRIDGEWATER	HOLDEN	RUTLAND
DEDHAM	HOLLISTON	SEEKONK
DIGHTON	HOPEDALE	SHARON
EASTHAM	LEXINGTON	SWAMPSCOTT
EASTON	NORTHBRIDGE	WESTMINSTER

DO YOU HAVE WHAT IT TAKES? Affordable housing agency seeks long-term relationship with willing community. Partner must have political will, land or other resources, a market demand for housing and the presence of local partners.

If MHP's style was personal ads instead of requests for proposals, this would sum up the mission of MHP's Community Housing Initiatives team. In 2005, MHP continued its efforts to provide sustained community support by launching the Targeted Community Initiative program. One of the communities it started working with is Hingham.

This well-to-do seaside community just south of Boston has 28 acres on the edge of a former massive military ammunition depot. The housing authority wants to see 40 to 50 affordable rental units built on one parcel while the town wants to see a similar amount of homeownership units built on the other. MHP is providing sustained staff and financial support to the housing authority and also is helping to coordinate activities between the two efforts, reasoning that communication could save time and money on things like access roads and utility tie-ins.

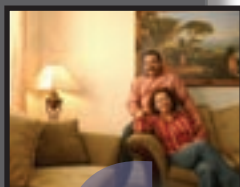
Hingham also has a solid core of folks that have been working on this issue, including Board of Selectman Chair Mat MacIver, housing partnership members Jim O'Brien, Lee Vigil and Jim Watson, former housing authority director Gretchen Condon, current director Gail Neibaur and housing authority chairman Bob Keyes

Hingham as a willing partner doesn't square with its exclusive reputation built on high-priced homes, a picturesque harbor and more recently, the legal battle some waged to stop the Greenbush commuter rail from cutting through the town. "There are some people who'd rather pull up the ladder and not let anyone else in," admits MacIver, "but there are also some who know that there is a need for housing."

Thus armed with political will and land to build on, Hingham hopes to build some affordable housing. For MHP, that's a partner worth trying.

1996 MHP creates Perm Plus, a zero-percent, deferred payment second-mortgage program designed to help developers buy and fix properties and offer low rents.

FAR RIGHT: Chandler Street, Worcester: The Perm Plus concept works again;
RIGHT: Marco Padilla and Jovita Natal: At home on Chandler Street.



1996

COMMUNITY-INITIATED HOUSING, HINGHAM

The land Hingham wants to use for housing (see circle) was once part of a military ammunition depot that supplied war ships in the nearby harbor. Many of the buildings in this World II aerial photo are now gone and much of the land is now preserved as open space. During wartime, thousands worked on the base and the lower-right picture shows Hingham workers on a fuse assembly line during World War II.



Some of the champions of Hingham’s affordable housing efforts gather next to one of the old ammunition depot buildings. In front are Mat Maclver and Gail Neibaur. In back, from top to bottom are Jim O’Brien, Bob Keyes, Gretchen Condon and Jim Watson.

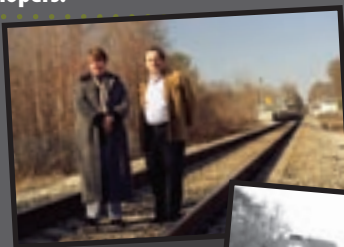
In **Worcester**, fixing properties, helping homebuyers, is **formula** for **success**

Created in 1991 to address racial disparities in Boston mortgage lending, SoftSecond was soon taken statewide and has now helped over 8,500 families purchase their first home. In 2005, 853 low and moderate-income families used SoftSecond. Here's the breakdown by region, with the average income of borrowers in parentheses:

2005 SoftSecond Loans by Region

BOSTON	– 286 (\$52,007)
METRO NORTH	– 72 (\$52,627)
NORTH SHORE	– 81 (\$46,576)
MERRIMACK VALLEY	– 61 (\$43,899)
METRO SOUTH	– 16 (\$46,200)
SOUTH SHORE	– 14 (\$49,082)
SOUTHEASTERN	– 38 (\$41,892)
CAPE & ISLANDS	– 18 (\$36,325)
METROWEST	– 28 (\$45,925)
CENTRAL MASS.	– 57 (\$40,207)
WESTERN MASS.	– 182 (\$33,747)

1999 MHP creates the Ch. 40B technical assistance program to help communities with comprehensive permit proposals. MHP has made over 180 grants and has helped 130 communities negotiate with 40B developers.



ABOVE: Abington selectman Kathy Lavin and Beacon Residential's Howard Cohen: MHP 40B TA helped keep a 192-unit apartment effort near train station on track.



1999

On a summer day in 2005, city, state and UMass Memorial Health Care officials gathered to launch the Bell Hill-East Side Homeownership Initiative. Afterward, Dominick Marcigliano gave visitors a tour of an abandoned house that he plans to rehab into a two-family home.

The executive director of the East Side CDC is no stranger to this work, having previously rehabbed more than 20 properties in the neighborhood with city and state support. The difference this time is that in addition to public support to rehab properties, the state, city and UMass Memorial have combined to make \$1 million in down payment and closing-cost assistance available to UMass employees and area families hoping to buy one of these homes.

This is not the first time that Worcester has combined public sector support for neighborhood revitalization with support for homebuyers. In another neighborhood, the Main South CDC is undertaking the publicly-supported Kilby Gardner Hammond Revitalization Project. Up to 80 homeownership units are planned. Several brand new duplex townhouses have already been built on Beacon Street and many buyers received down-payment and closing cost assistance from the city.

A common thread in these efforts is MHP's SoftSecond Loan Program for low and moderate-income first-time homebuyers. SoftSecond has helped 88 Worcester families in the past two years and 13 bought new units on Beacon Street. Now, SoftSecond funds have been earmarked to support the Bell Hill-East Side Initiative, which could provide homeownership opportunities for up to 35 families.

"SoftSecond has proven to be the perfect fit for those hard-working families that need just a little help to realize the dream of homeownership," said Scott Hayman, the city's director of housing services. "It's worked at Main South and now, combined with the funds from UMass Memorial, it's going to play a vital role in increasing homeownership on Bell Hill and the East Side."

NEIGHBORHOOD REVITALIZATION & HOMEOWNERSHIP, WORCESTER



A respiratory therapist at St. Vincent's Hospital, McDavid Rodriguez and wife Nancy, a nurse, left Puerto Rico four years ago to pursue health care job opportunities in Worcester. They are shown here with sons McDavid Jr. and Josue.



McDavid Rodriguez' four-year effort to buy a home ended in September 2005 when he bought half of this Worcester duplex for \$143,000 with a SoftSecond loan and downpayment assistance from the city. Twelve other families on his street also bought homes with SoftSecond.

Worcester's latest effort, the Bell Hill-East Side Homeownership Initiative, is a partnership between the state, the city, UMass Memorial Health Care and MHP. Its goal is to continue revitalization efforts and provide homeownership opportunities in the neighborhoods around UMass Memorial. Leaders of this effort include (l-r) Scott Hayman, director of housing services for the city, Monica Lowell, UMass Memorial's vice-president for community relations and Dominick Marcigliano, executive director of the East Side CDC.



Amherst latest example of MHP's focus on small-scale development

HIGHLIGHTS

In addition to providing direct support to communities, MHP sponsors or co-sponsors workshops and issues publications in print and online aimed at helping communities understand affordable housing issues. In 2005, these efforts included:

Workshops

DEVELOPING HOUSING ON MUNICIPAL LAND

LOCAL HOUSING PARTNERSHIP TRAININGS

MUNICIPAL HOUSING TRUSTS

KEEPING CURRENT WITH CH. 40B

Publications & Studies*

MHP GUIDEBOOK FOR HOUSING PARTNERSHIPS
(updated)

CH. 40B LOCAL REVIEW AND DECISION GUIDELINES

WHAT'S THE POTENTIAL FOR SMART GROWTH?

9 BULLETINS ON AFFORDABLE HOUSING ISSUES

* All content is available on www.mhp.net

In affordable housing, size matters. Big projects spark concerns about overloading roads and schools. Smaller projects are often preferable but the financing is trickier.

Caught in between, Massachusetts tries to keep pace: a 2005 MHP study calculated that from 1992 to 2002, the state produced 40,000 less units than it needed. "In order to beat the housing crisis, we're going to have to get good at building housing not just on a large scale, but also on a small scale," said Clark Ziegler, MHP's executive director.

Since 2002, MHP has tackled the challenge of building smaller-scale affordable rental housing for families. Teaming with the state Department of Housing and Community Development (DHCD), MHP's initial pilot program helped Westford, Bedford and Truro push housing efforts forward. Now, MHP is working with a number of towns and/or housing authorities—including Amherst, Dennis, Groton, Hingham, Lincoln and Wellfleet—on producing anywhere from five to 25 units of housing.

While every town is different, the recipe for success might include a town providing land, zoning relief, and funds via sources like the Community Preservation Act. MHP contributes staff advice, plus low-interest financing from its bank-funded loan pool. When possible, its financing is coupled with DHCD funds.

Westford and Amherst represent the present and future. Five years ago, a defunct sand pit in Westford was a haven for dirt bikers. Now, it hosts athletic fields, a new middle school and 15 units of affordable housing.

Amherst is where Westford once was. In 2005, it approved \$250,000 in CPA funds so that the housing authority could purchase a vacant Main St. property for the development of 11 affordable rental units. The next step is to select a non-profit developer.

"Many towns have the will and the ability to do this type of housing," said Rita Farrell, director of MHP's Community Housing Initiatives team. "Getting it done can be complex but the pieces of the puzzle are there. It's our job to help communities put it all together."



2000 With Springfield's Lower Liberty neighborhood, MHP starts providing intensive, sustained community support. Ensuing programs like the Suburban Pilot Program and Targeted Community Initiatives reflect this new approach.

ABOVE RIGHT: Springfield's Yasmin and Alex Cortes: Local leaders in the Lower Liberty revival

2000

SMALL-SCALE AFFORDABLE APARTMENTS FOR FAMILIES, AMHERST & WESTFORD



Before: In 2001, this Westford site was nothing but an old sand pit.



After: In 2005, the non-profit Common Ground Development Corporation completed construction of 15 units of rental housing on part of the old Westford sand pit. The land is leased from the town.

Next? Amherst hopes to turn this site into 11 units of affordable housing, possibly similar to what Westford has built.



MHP staff



EXECUTIVE/LEGAL

The executive/legal group oversees all aspects of MHP.

Clark L. Ziegler,
Executive Director

Judith S. Jacobson,
Deputy Director/General Counsel

Ruston F. Lodi,
Director of Public Affairs

Nancy Blueweiss,
Associate General Counsel

Dolly Abberton,
Paralegal/Loan Closing Coordinator

Courtney Koslow,
Special Assistant for Policy

Patricia Josselyn,
Executive Assistant

Kathleen Ferretti,
Loan Closing Assistant



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

Wendy Hanna Cohen, Deputy Director of Lending

Richard A. Mason, Senior Loan Officer

Nancy A. Sampson, Loan Officer

Megan Magrane, Loan Officer

Amanda N. Roe, Loan Officer

Joshua Lappen, Lending Assistant

Geoff MacAdie, Director of Portfolio Management

Cynthia Mohammed, Portfolio Manager

Peter Fraser, Portfolio Manager

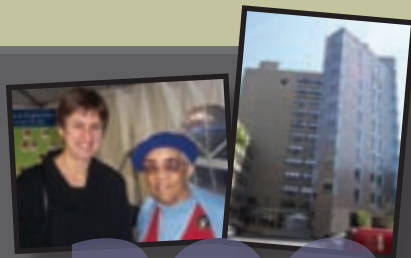
Constance Huff, Portfolio Analyst/Operations Coordinator

Nicole Verno, Assistant Portfolio Manager

Christine Gimbel, Portfolio Analyst

2004 MHP receives a \$406 million loan and \$18 million grant from Bank of America upon the bank's purchase of FleetBoston. This increases MHP's loan pool to nearly \$1 billion.

RIGHT: MHP's Judy Jacobson with Morville resident Eva Monteiro; FAR RIGHT: Morville House in the Fenway: An MHP loan, using BofA funds.



2004

COMMUNITY HOUSING INITIATIVES



MHP helps cities and towns initiate and develop affordable housing through advice, advocacy and technical support.

Rita Farrell, Director of Community Housing Initiatives

Susan Connelly, Associate Director of Community Housing Initiatives

Constance Kruger, Technical Assistance Manager

Gercide Luc, Technical Assistance Associate

CHI also manages the SoftSecond Loan Program, which is available in 290 communities and has helped over 8,500 low and moderate-income families purchase their first home.

Gina Govoni, SoftSecond Program Manager

Deborah Clarke, Outreach and Processing Coordinator

Marie-Claire Dumornay, Program Analyst

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

David Oteri, Chief Accounting Officer

Scott MacIntyre, Information Technology Manager

Karen H. English, Controller

Susan Donoghue, Senior Accountant

Mary Ann McGinnis, Payroll and Benefits Manager

Carole Spear, Administrative Assistant

Ivette Ortiz, Office Administrator



MHP Board of Directors



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.

CHAIRMAN, **Stanley J. Lukowski**,
Chairman and CEO, Eastern Bank

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

SECRETARY/TREASURER, **Richard C. Lawton**,
President, Webster Five Cents Savings Bank

Catherine Racer,
Associate Director,
Department of Housing and
Community Development
(Designee for Director
Jane Wallis Gumble)

Carlo DeSantis,
Executive Office for
Administration and Finance
(Designee for Secretary
Thomas H. Trimarco)

James P. McDonough,
Former President and CEO,
Abington Savings Bank
Nicolas P. Retsinas,
Director, Harvard University
Joint Center for Housing
Studies

MHP by the Numbers

HOW MHP IS FUNDED

MHP was founded on the premise that housing solutions depend in part on private investment. The state legislature took that premise to heart in 1990, passing the Interstate Banking Act. This law requires companies that acquire Massachusetts' banks to make funds available to MHP for affordable housing.

This act addressed fears that bank industry consolidation might mean less community investment, and it gave evolving big 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 over a billion dollars in its loan pool, meaning it will continue to play a 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 \$410 million in loans and has financed over 12,000 units of rental housing. Most of these units are affordable and most serve low and moderate-income people.

MHP FINANCIAL SUMMARY

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

LOANS	LOAN AGREEMENTS
Bank of Ireland	\$2,149,221
Banknorth	49,707,233
Bank of America	406,144,000
The Bank of Western Massachusetts	4,362,549
Berkshire Bank	6,253,201
Cape Cod Five Cents Savings Bank	2,350,000
Citizens Bank of Massachusetts	32,637,599
Compass Bank*	8,716,740
Danvers Savings Bank	247,402
Flagship Bank & Trust Company	2,385,423
Fleet National Bank**	143,775,888
General Bank***	336,393
Hoosac Bank	350,328
Mellon Bank	74,337,381
Slade's Ferry Trust Company	223,113
Sovereign Bank	163,589,837
Toronto-Dominion	55,622,718
Wainwright Bank and Trust Company	9,139,063
Webster Bank	23,244,408
TOTAL LOANS	\$985,572,497

GRANTS	
Andover Bank	\$13,454
Bank Boston	10,000,000
Citizens Bank of Massachusetts	2,595,451
Fleet Boston Corporation	12,000,000
Bank of America ****	18,000,000
TOTAL GRANTS	\$42,608,905



2005

2005 The SoftSecond Loan Program makes its 8,000th loan and passes the \$1 billion mark in private mortgage funds provided to low and moderate-income homebuyers.

ABOVE RIGHT: Pablo and Purificacion Urbaez: bought two-family in Lawrence with a SoftSecond loan

* Loan obligation assumed by Sovereign after its purchase of Compass Bank.

** Fleet's loan obligation, required when it purchased BankBoston, was assumed by Bank of America.

*** Has subsequently merged with and is known as Cathay Bank.

**** \$9 million was received as of June 30, 2004; a second payment of \$9 million is due in May, 2007.

STATEMENT OF NET ASSETS

	As of June 30th 2005	As of June 30th 2004
Cash and Investments	\$70,151,877	\$81,709,503
Program receivables, net of reserves	10,136,469	10,116,117
Project Loans, net of reserves	190,174,018	150,241,395
Prepaid expenses, equipment and other assets	812,678	743,370
TOTAL ASSETS	\$271,275,042	\$242,810,385
Accounts payable and accrued expenses	2,296,834	\$1,643,169
Notes payable, project loans	190,947,426	149,824,074
Deferred income	25,626,567	34,402,774
Lease Payable	130,995	218,685
Soft Second Loan Program— loss reserves	11,694,804	12,248,167
TOTAL LIABILITIES	230,696,626	198,336,869
Net Assets— Invested in Capital Assets	537,436	569,479
Restricted Net Assets	32,855,886	34,558,526
Unrestricted Net Assets	7,185,094	9,345,511
TOTAL NET ASSETS	40,578,416	44,473,516
TOTAL LIABILITIES AND NET ASSETS	\$271,275,042	\$242,810,385

STATEMENT OF REVENUE, EXPENSES & CHANGES IN NET ASSETS

Income from direct lending, net of provision for loan losses	\$2,177,049	\$2,798,612
Grants and other private support	1,239,339	19,023,258
Federal, state and local government support	6,584,746	6,411,056
Earnings on bank deposits and investments	1,547,885	1,063,538
Other income	1,112,248	657,440
TOTAL REVENUES AND SUPPORT	12,661,267	29,953,904
Salaries and Benefits	3,371,543	3,243,746
Community outreach, training and publications	102,797	59,084
Occupancy and equipment	513,653	574,613
Professional fees and services	466,289	252,156
First-time homebuyer mortgage subsidies and reserves (Soft Second)	6,034,027	6,074,280
Rental housing mortgage subsidies and reserves	5,277,231	2,102,913
Other program costs	790,827	2,450,197
TOTAL PROGRAM AND OPERATING COSTS	16,556,367	14,756,989
CHANGE IN NET ASSETS	(\$3,895,100)	\$15,196,915

These financial statements summarize information from MHP's audited financial statements which are available on request.

MASSACHUSETTS HOUSING PARTNERSHIP

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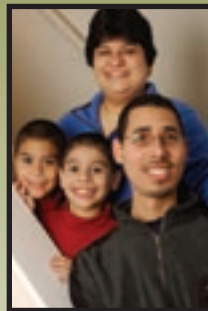
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