

The continuing quest for affordability
and sustained growth

TODAY TOMORROW

2009 Annual Report



Massachusetts Housing
Partnership

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On the cover: Dudley Village, Dorchester.

Governor Deval Patrick in New Bedford, announcing funding to preserve the 129-unit Regency Tower, which is being financed by MHP.



As required by Section 35 of Chapter 405 of the Acts of 1985, the 2009 Annual Report of the Massachusetts Housing Partnership Fund is respectfully submitted to:

- Deval L. Patrick, Governor**
Commonwealth of Massachusetts
- Steven C. Panagiotakos, Chairman**
Senate Ways and Means Committee
- Charles A. Murphy, Chairman**
House Ways and Means Committee
- Jay Gonzalez, Secretary**
Executive Office for Administration and Finance

HOW MHP WORKS

MHP is a privately-funded public non-profit organization that works with state government and with business, civic and community leaders across the Commonwealth to increase our supply of affordable housing.

MHP uses funds from the banking industry to provide long-term loans for affordable rental housing. Since 1990, MHP has provided over \$643 million in loans and commitments for the financing of over 15,000 units of rental housing.

MHP also helps communities build housing and offers the SoftSecond Loan Program, which has helped over 14,000 lower-income and minority families buy their first home.



Massachusetts Housing
Partnership

Letter from the Chairman & Executive Director

The theme of this annual report—Today|Tomorrow—highlights the critical ties between our work and what's taking place in the larger economy.

Today, we are devoting significant effort and private capital to stem the damage caused by the collapse of U.S. financial markets. To date, MHP has financed and helped restructure 18 new rental developments after investment demand for federal housing tax credits disappeared—more than any other lender in the Commonwealth.

We also filled a major financing gap for creditworthy, first-time home buyers as loan volume for our SoftSecond mortgage program doubled, helping sustain demand and stabilize housing values in communities hardest hit by foreclosures. In stronger markets, MHP continued to provide technical assistance for community-initiated affordable housing that is often supported by local funding and donated land.

Tomorrow is even more important. Massachusetts cannot sustain meaningful economic growth if housing costs too much. If we fix our badly broken system of planning and land use regulation—and allow the private sector to build the housing we need in the places we need it—it will help unlock a robust economic future that builds on our educated workforce and history of innovation.

MHP is committed to that future, and we look forward to working with you to achieve it.

In this year's report, you will read about families whose lives are better today because they live in a home they can afford. You will also learn about new initiatives MHP is championing so that families and communities can have a better tomorrow.



Stanley J. Lukowski
Chairman

Clark L. Ziegler
Executive Director

Handwritten signatures of Stanley J. Lukowski and Clark L. Ziegler.

SMALL DEVELOPMENT

HELPS FAMILY IN BIG WAY

Main Street Apartments, Amherst



TODAY

Victor Ortiz is putting his life back together. In 2009, he got a job with the state's Department of Veterans' Services helping soldiers adjust to life after the military.

Ortiz knows what he's talking about. He spent five years in the Marines, saw four of his friends die during a 2001 tour in Iraq and came home "enclosed in a depressed state of mind."

Ortiz's recovery began when his employer, Amherst area restaurant owner Bob Lowry, helped him get medical treatment. This helped Ortiz understand that his feelings stemmed from post traumatic stress disorder caused by repeated brain-rattling explosions.

Another break came in 2008 when he and Claudia moved into one of 11 new affordable rental units developed by the Valley CDC and leased to the Amherst Housing Authority. "This place is exactly what I needed," said Ortiz, who is now planning to apply to college to pursue a degree in social work. "This gave me the opportunity to get back on my feet."

Victor Ortiz, with Claudia and their two children, Daniel (l) and Victor (r).



TOMORROW

MHP knows that more communities like Amherst are looking to finance housing that helps people like Victor Ortiz. That's why in 2010, MHP has committed \$5 million in funds from its bank-funded loan pool as zero percent interest, second-mortgage financing for smaller-scale affordable housing developments.

The new Neighborhood Rental Initiative Program (NRI) is targeted toward 225 communities characterized by such factors as good schools, proximity to jobs, higher housing costs and a shortage of affordable housing. MHP expects to review NRI applications twice a year until all the funds are distributed.

“We know that there are suburban communities like Amherst that have local funds and public land to build affordable rental housing for families,” said Managing Director Mark Curtiss. “This program is designed to help get more of these types of community efforts off the ground.”

For more information, go to www.mhp.net and search for “high opportunity.”



Small-scale development

MHP helps communities that take the initiative to develop affordable housing. These efforts are usually smaller in scale, built on public land and supported with local funds. Here are some recent examples:

In the pipeline

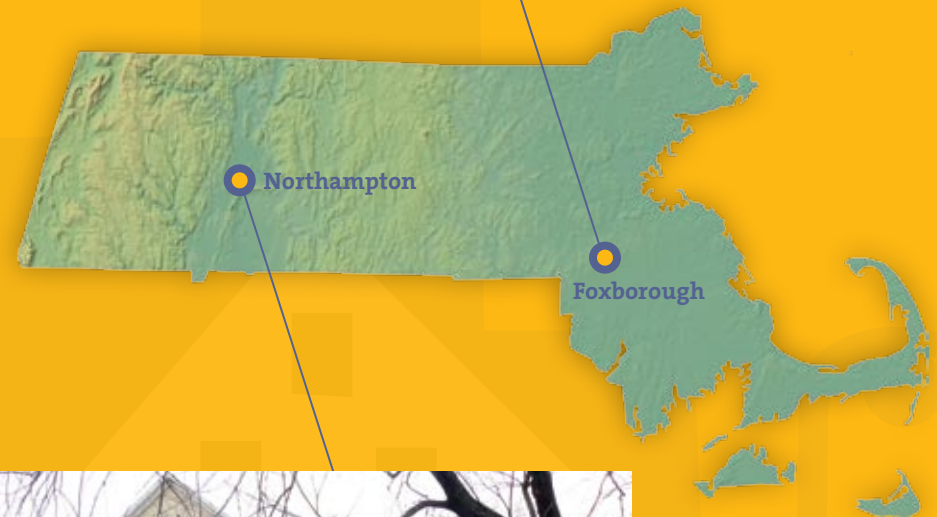
- Acton** ▶ Assisting the housing authority develop 10 affordable family units.
- Hopkinton** ▶ Provided early technical assistance to the local housing authority; has committed \$1.4 million in long-term financing for 12 affordable units.
- Mashpee** ▶ Helping in the disposition of housing authority land to a non-profit developer.
- Nantucket** ▶ Helped the housing authority write the request for proposal (RFP) so it could identify a developer to build 50 affordable homeownership units.
- Provincetown** ▶ Helped town identify a developer to construct 50 units on town land.
- Sandwich** ▶ Helping the housing authority develop 24 affordable units.
- Sudbury** ▶ Helping housing authority redevelop four-unit site into 10 units.
- Yarmouth** ▶ Helping the town and housing authority develop 18 acres into affordable family and elderly housing.

MHP technical assistance & long-term financing

- Amherst** ▶ Main Street Apartments, Valley CDC, 11 units, \$268,000 first mortgage, \$750,000 deferred payment second mortgage.
- Bedford** ▶ 447 Concord Road, S-C Management, 14 units, \$1.25 million first mortgage, \$1.05 million deferred payment second mortgage.
- Groton** ▶ Residences at Sandy Pond, Groton Housing Authority, 9 units, \$507,000 first mortgage, \$271,000 deferred payment second mortgage.
- Foxborough** ▶ Baker Street, Foxborough Housing Authority, 20 units, \$2.68 million first mortgage, \$750,000 deferred payment second mortgage.
- Northampton** ▶ 46-48 School Street, Valley CDC, 8 units, \$100,000 first mortgage, \$600,000 second mortgage.

Baker Street, Foxborough

With MHP technical assistance and long-term financing, the Foxborough Housing Authority was able to create 18 affordable rental units on a former state hospital site.



School Street, Northampton

Valley CDC renovated this home into eight affordable units, thanks in part to financing from MHP.

YOUNG COUPLE

STARTS LIFE IN NEW APARTMENT

Windsor Woods, Canton

TODAY

If experts are correct in saying that the future of the Massachusetts economy hinges on our ability to attract and retain young people, our success will be measured by couples like Anastasia Mighty and Zeph Harpin.

Originally from Brooklyn, they married in 2009 and are starting their life together in a market-rate apartment at Windsor Woods, Canton. She is a business manager for MAC, the cosmetics giant with over 1,000 stores worldwide. He is studying automotive engineering at Universal Technical Institute in Norwood. They are saving money and hope to buy a home someday.

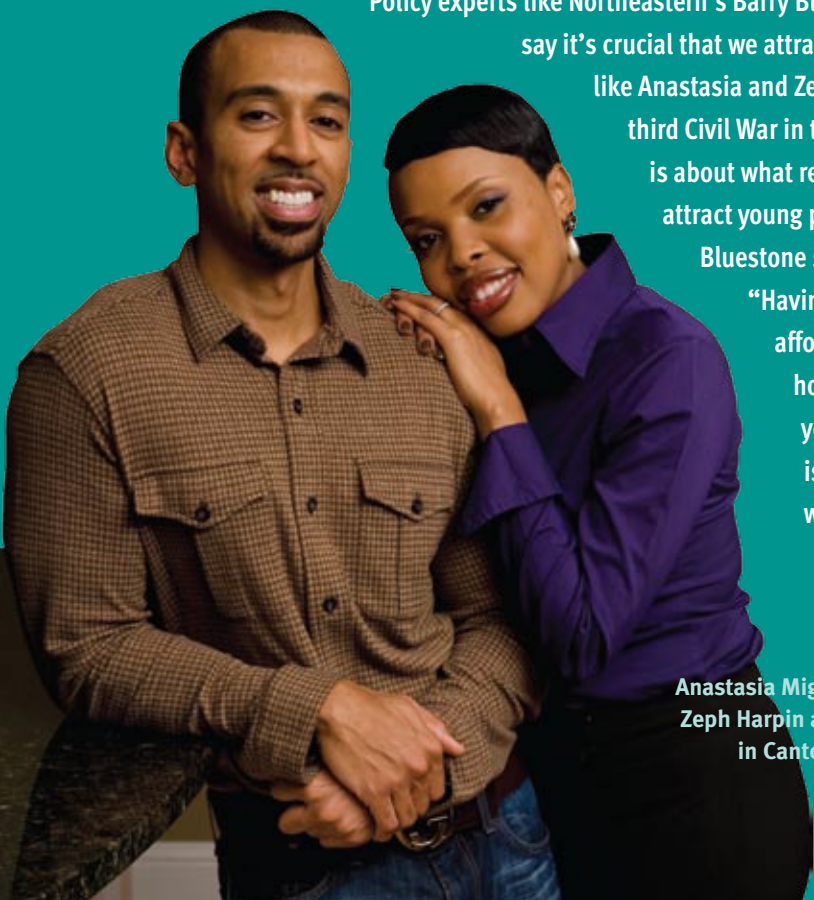
How did they end up leaving the familiarity of family and friends in New York for the heart of Red Sox country? In 2008, Anastasia was offered more money to relocate. "I looked at three places and Windsor Woods stood out," said Anastasia. "It was new."

Policy experts like Northeastern's Barry Bluestone say it's crucial that we attract people like Anastasia and Zeph. "The third Civil War in this country is about what regions can attract young people,"

Bluestone says.

"Having sufficient affordable housing for young families is critical to winning."

Anastasia Mighty and Zeph Harpin at home in Canton



TOMORROW

In order for Massachusetts to build enough housing to sustain its economy, developers need access to capital. In 2009, MHP took steps to expand its financing capacity when it was approved into Fannie Mae's select national network of multi-family affordable lenders, a coveted designation that could bring up to \$100 million in new financing for rental housing to the Commonwealth.

MHP will now be able to blend its underwriting expertise and \$1.1 billion bank-funded loan pool with Fannie Mae funds to offer additional financing to affordable housing developers. The new MHP-Fannie Mae Program can be used for new construction developments, rehabilitation projects, or refinancing of existing affordable rental properties. The maximum loan amount is \$30 million, although higher amounts are possible by exception. At least 25 percent of the units must be affordable to households at 80 percent of median income.

The 159-unit Windsor Woods in Canton is the first development to be financed under this program and MHP looks forward to doing more of this financing in 2010. For more information, contact Director of Lending David Rockwell at drockwell@mhp.net.



Metro Boston

Recent MHP loans and commitments for affordable rental housing:

New production

Canton ▶ Windsor Woods, Criterion Development Partners, 159 units, \$22 million first mortgage.

Chelsea ▶ Janus & Atlas Rental, Chelsea Neighborhood Developers, 41 units, \$1.1 million first mortgage.

Middleborough ▶ The Residences at the Groves, Debbie Blais Real Estate Inc., 36 units, \$1.7 million first mortgage.

Sharon ▶ Wilber School Apartments, Beacon Communities, 75 units, \$12.5 million first mortgage.

Salem ▶ Palmer Cove, Salem Harbor CDC, 15 units, \$500,000 first mortgage, \$150,000 HomeFunders second mortgage.*

Somerville ▶ Capen Court Senior Housing, Somerville Housing Authority, 95 units, \$7.5 million first mortgage.

Somerville ▶ Saint Polycarp Village, Somerville Community Corp., 24 units, \$2.4 million first mortgage.

Wellesley ▶ Hastings Village, Eastland Development Partners, 52 units, \$9.6 million first mortgage.

Preservation

Arlington ▶ Forest & Peirce, Housing Corporation of Arlington, 10 units, \$525,000 first mortgage, \$750,000 second mortgage.

Cambridge ▶ Cambridge YMCA SRO, 128 units, \$750,000 first mortgage.

Neighborhood Stabilization Loan Fund

A new fund targeting \$22 million from private lenders, non-profit foundations and MHP for the acquisition and stabilization of foreclosed properties:

Chelsea ▶ 75 Essex Street, Chelsea Neighborhood Developers, 3 units, \$67,700 construction loan participation.

** Funded by some of Greater Boston's most prestigious charities, HomeFunders is offered by MHP to help borrowers make more units available to lower-income families.*

Palmer Cove, Salem

Developed by the Salem Harbor CDC, with first and second-mortgage financing support from MHP.



Saint Polycarp, Somerville

Developed by the Somerville Community Corporation, with over \$2 million in financing from MHP.

SMART DOWNTOWN MAKES FACTORIES COME ALIVE

Hayes Building, Haverhill



TODAY

How many industrial cities can say their downtowns are alive with construction and promise?

Haverhill can and a big reason is four-term mayor James Fiorentini and the city council, which in 2006 made Haverhill the first city in Massachusetts to use a new state law (Chapter 40R) to rezone a large part of its downtown as a smart growth district.

Today, three factories have been turned into over 400 housing units and the Planning Office of Urban Affairs (POUA) is transforming the Hayes Building into 57 rental units, right across the street from the commuter rail and a new 400-space parking garage. When asked what it's been like to work with the city, POUA Executive Director Lisa Alberghini said the process has gone "like clockwork."

Now, how many cities can say that?

Lisa Alberghini and Mayor James Fiorentini in front of the Hayes Building.

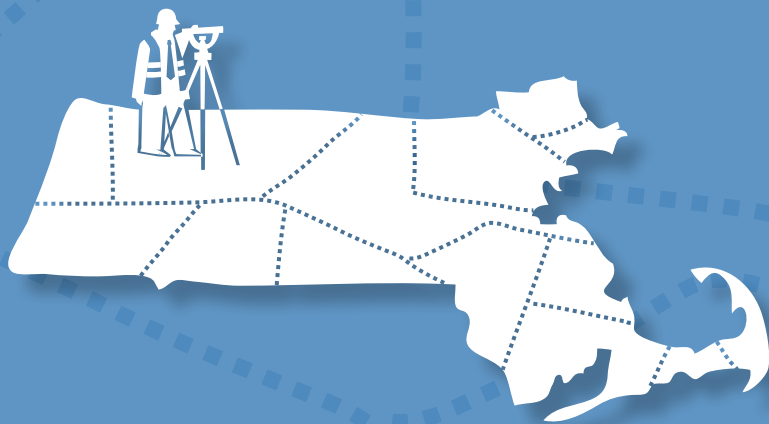


TOMORROW

MHP understands that affordable housing development takes more than money. Haverhill's decision to zone its factory district for smart growth helped pave the way for its role in the financing of the Hayes Building.

Haverhill is an exception to the rule in Massachusetts, where most communities zone in defiance of smart growth, which in turn has led to more homes on large lots, higher housing costs and lower overall housing production rates. Not coincidentally, job growth has declined as barriers to new housing have increased.

MHP feels that a robust public debate on housing and economic growth is long overdue and it is using its private bank funding for a multi-year research project called Foundation for Growth. Three research teams—Abt Associates, the Donahue Institute at UMass, and Northeastern's Center for Urban and Regional Policy—have been selected to analyze how much housing we need to sustain our economic growth and what strategies are needed to make it happen. Their findings will be released in 2010. For more information, go to www.massgrowth.net.



Gateway Cities

Gateway cities are the smaller and mid-sized cities that have always been a vital part of the Commonwealth's economy. The following is a list of recent loans and commitments that MHP has made in these cities:

New production

Haverhill ► Hayes Building, Planning Office for Urban Affairs, 57 units, \$1.9 million in first-mortgage financing.

Lawrence ► Blakeley Building, Volunteers of America, 46 units, \$1.8 million first mortgage.

Lawrence ► Farnham Court, Lawrence Community Works, 11 units, \$230,000 first mortgage, \$750,000 second mortgage.

Leominster ► Rockwell Village, Leominster Development Corporation, 14 units, \$773,000 first mortgage, \$750,000 second mortgage.

Worcester ► 1-7 Piedmont Street, Worcester Common Ground, 12 units, \$383,000 first mortgage, \$750,000 second mortgage.

Preservation

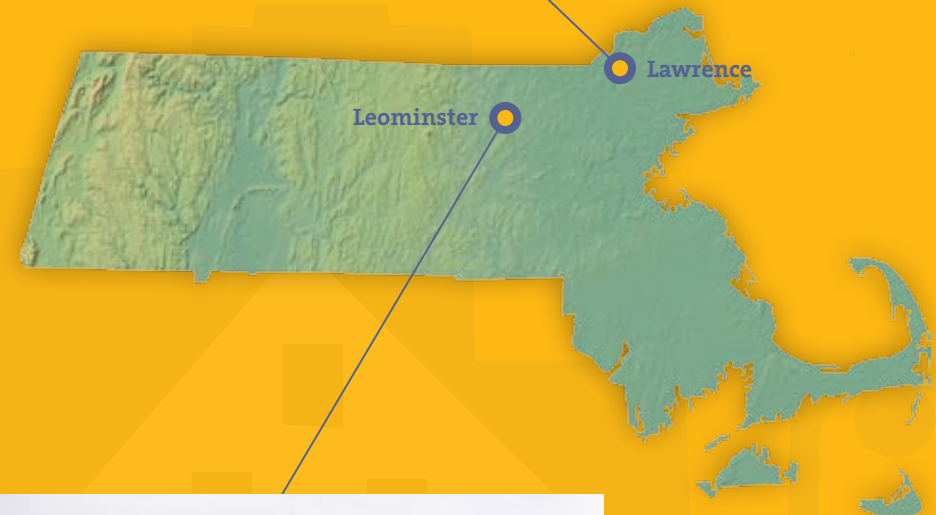
Lowell ► Mayflower Apartments, Winn Development Corporation, 99 units, \$3.3 million first mortgage.

Lowell ► Broadway Apartments, Common Ground Inc., 26 units, \$1.8 million first mortgage, \$377,500 second mortgage.



Blakeley Building, Lawrence

MHP's long-term financing helped the Volunteers of America rehab the Blakeley Building in downtown Lawrence into 46 rental units.



Rockwell Village, Leominster

Developed by the Leominster Development Corp. and managed by the Leominster Housing Authority, this 14-unit development received over \$1.5 million in first and second mortgage financing from MHP.

IT TOOK A 'VILLAGE' TO RAZE THE BAR

Dudley Village, Dorchester



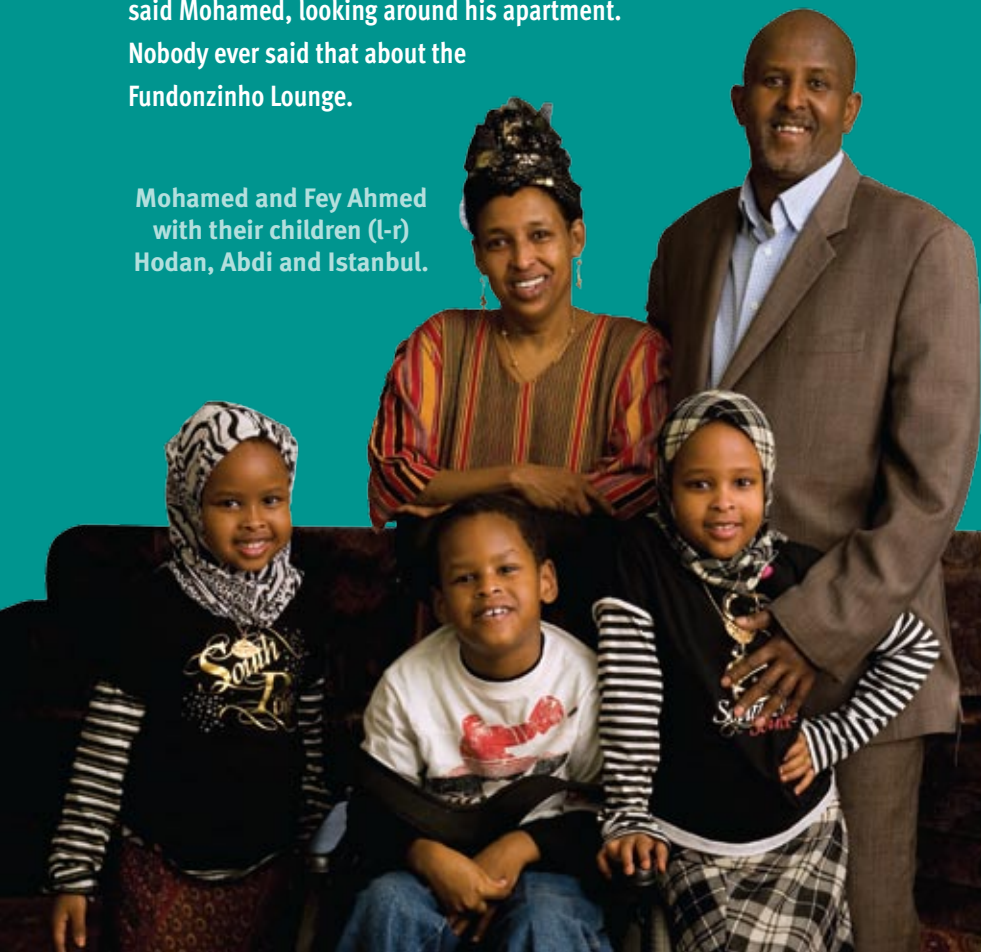
TODAY

Mohamed Ahmed said the third-floor apartment where his family used to live was like a prison. Because his son Abdi is disabled, Mohamed had to lift him from his wheelchair and carry him up the stairs. When he went to work, his wife Fey couldn't leave. "It was hell," he said.

Mohamed's family now lives in a ground-floor, accessible, affordable apartment at Dudley Village, which replaced the Fundonzinho Lounge, a notorious Boston bar and the scene of several alleged murders.

The Dorchester Bay Economic Development Corp. bought the lounge and built the housing to change the neighborhood and the lives of families like Mohamed's, who left Somalia and his job as an accountant when civil war ripped his country apart in 1992. "This is heaven," said Mohamed, looking around his apartment. Nobody ever said that about the Fundonzinho Lounge.

Mohamed and Fey Ahmed
with their children (l-r)
Hodan, Abdi and Istanbul.



TOMORROW

One of the barriers to doing more developments like Dudley Village is that the financing requires large operating cash reserves. For non-profits, setting money aside can hamper their efforts to develop more affordable housing.

As a long-time lender for non-profit housing development, MHP has developed a program with the Boston Foundation that will guarantee a portion of the operating reserve requirement. Called the Housing Reserve Assurance Program (RAP), borrowers would pay a premium in return for access to private funds that can be tapped in the event of operating deficits. The premium would be much less than what would be paid into a cash-funded operating reserve, thus reducing the need for additional subsidies and freeing up capital to pursue new affordable housing development. This program will be available in 2010.

MHP has a long history working with non-profits to make new projects more feasible. Housing RAP is MHP's latest effort to help non-profits develop more affordable housing. For more information, email Managing Director Mark Curtiss at mcurtiss@mhp.net.



ONE DOLL

MHP in Boston

In Boston, MHP has used its bank-funded loan pool to provide over \$169 million in loans and commitments for the financing of over 4,300 units of rental housing. The following are recent MHP loans and commitments:

New production

Dorchester ► Dudley Village, Dorchester Bay EDC, 50 units, \$2.1 million in first mortgage financing, \$850,000 HomeFunders second mortgage.*

Dorchester ► Humphreys Street, Sojourner House, Inc., 11 units, \$220,000 first mortgage, \$100,000 Home Funders second mortgage.*

Dorchester ► 1460 House, Viet-Aid, Inc., 43 units, \$736,000 first mortgage.

Jamaica Plain ► Centre-Creighton Apartments, Jamaica Plain NDC, 36 units, \$1.9 million first mortgage.

Mattapan ► Olmsted Green, New Boston Development Partners, 101 units, \$3.4 million in first mortgage financing, \$750,000 Home Funders second mortgage.*

Preservation

Brighton ► Brighton Allston Apartments, Allston Brighton CDC, 60 units, \$875,000 first mortgage.

Dorchester ► Baker Chocolate Factory, Beacon Communities, 133 units, \$14.2 million first mortgage.

Dorchester ► Lithgow Apartments, Codman Square NDC, 31 units, \$3 million first mortgage.

Fenway ► Kilmarnock Street, Fenway CDC, 22 units, \$1.4 million first mortgage.

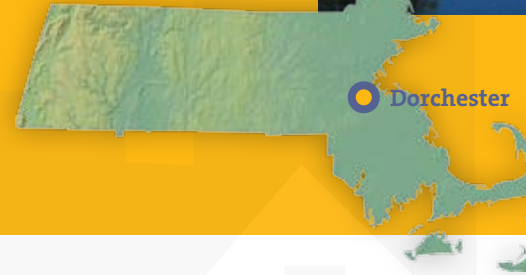
Hyde Park ► Stony Brook Apartments, Winn Development Corp., 98 units, \$4.8 million first mortgage.

Mattapan ► Adams Court Phase B, Nuestra Comunidad, 95 units, \$4.4 million in first mortgage, \$450,000 Home Funders second mortgage.*

** Funded by some of Greater Boston's most prestigious charities, HomeFunders is offered by MHP to help borrowers make more units available to lower-income families.*

Baker Chocolate, Lower Mills, Dorchester

Preserved by Beacon Communities with financing from MHP.



Neighborhood Stabilization Loan Fund

A new fund targeting \$22 million from private lenders, non-profit foundations and MHP for the acquisition and stabilization of foreclosed properties.

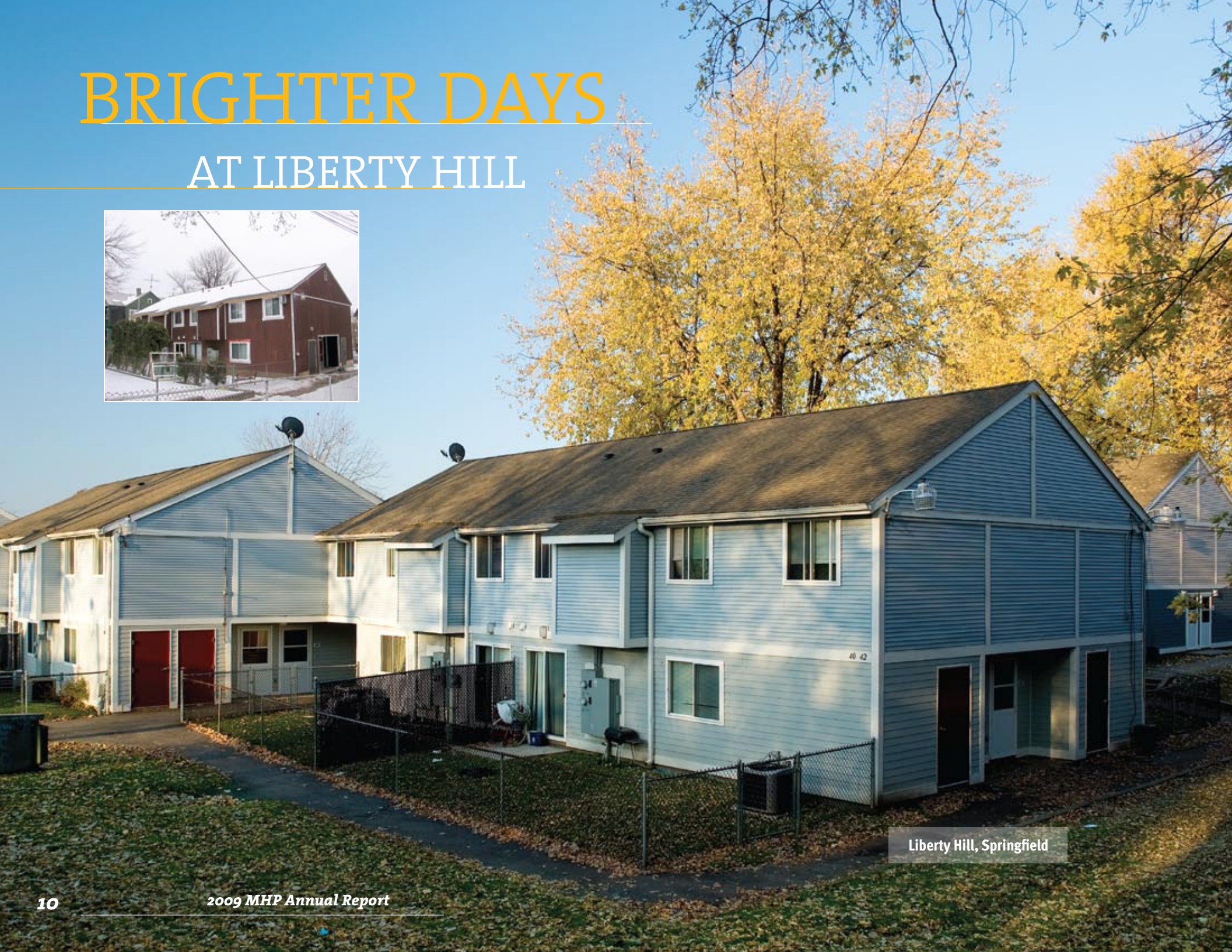
Dorchester ► 64 Clarkson Street, Dorchester Bay EDC, 3 units, \$217,000 construction loan participation.

Dorchester ► 230 Quincy Street, Dorchester Bay EDC, 3 units, \$180,000 construction loan participation.

Dorchester ► 37 Ridgewood Street, Castle Rock Properties Inc., 3 units, \$214,000 construction loan participation.

BRIGHTER DAYS

AT LIBERTY HILL



Liberty Hill, Springfield

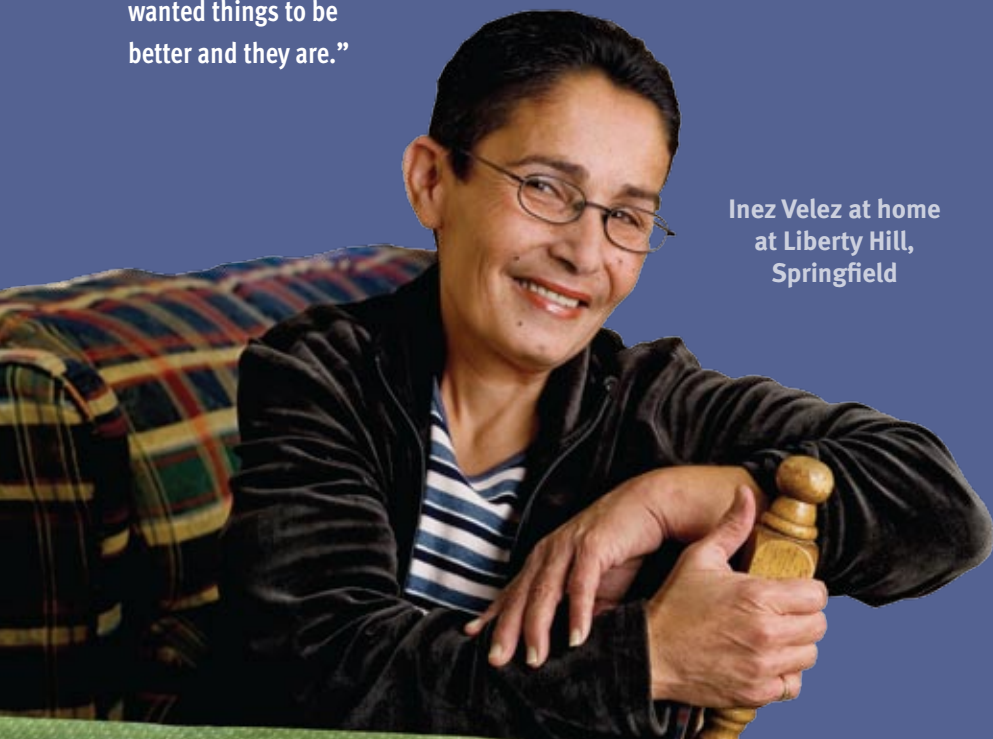
TODAY

To appreciate Springfield's Lower Liberty neighborhood today, you have to go back to 1993 when it was dominated by crime. Residents fought back and MHP provided technical assistance to help the city craft a long-term plan.

One priority was to revive three decaying rental properties. First, 55 rental properties were rehabilitated. Then, six abandoned properties were turned into 36 new apartments. Finally, refinancing, renovations and energy efficiencies were completed on the five-building, 88-unit Liberty Hill Apartments, ensuring stability for years to come. People familiar with the neighborhood say some of the two-family homes near Liberty Hill have new owners and are starting to look better too.

Inez Velez has been witness to it all. A 14-year resident of Liberty Hill with husband Hector and daughter Veronica, she is a self-confessed neat freak who is seldom without a broom or rake. She plants a big garden in the summer, looks out for her neighbors and believes in always having hope. "This place used to be brown, and the outside lighting was so bad, you couldn't see anything," she said. "We wanted things to be better and they are."

Inez Velez at home
at Liberty Hill,
Springfield



TOMORROW

As it has for 17 years in Springfield's Lower Liberty neighborhood, MHP plans to put its experience and private bank funds to work in 2010 to help communities build more housing and stabilize neighborhoods.

Its efforts will include:

- **Receivership:** MHP has set aside \$250,000 to support ongoing receivership training and to set up programs similar to ones now working in Worcester and Springfield.
- **Production Support Program:** Using \$4 million in Bank of America grant funds, this three-year program will continue to support some 40 non-profits in their pursuit of affordable development opportunities.
- **Neighborhood Stabilization Loan Fund (NSLF):** MHP has put \$8.5 million into a \$22 million loan pool to help qualified developers acquire properties in neighborhoods hard-hit by foreclosure. In 2010, NSLF was bolstered with more funding from a \$22 million award in Recovery Act funds from the U.S. Dept. of Housing and Urban Development.

- **HomeFunders II:** MHP has \$4 million in new low interest subordinate financing to help non-profit and for-profit developers create rental housing for extremely low-income families. The funding comes from HomeFunders, a collaborative of local private philanthropic organizations.

For more information on these and other MHP efforts, go to www.mhp.net.



Western Massachusetts

MHP has a regional office in Amherst and has a long history supporting affordable housing in western Mass. Recent efforts include:

New production

North Adams ► Clark Biscuit Apartments, Arch Street Development LLC, 43 units, \$745,000 first mortgage.

Pittsfield ► New Amsterdam Urban Center, Pearson Properties LLC, 67 units, \$2.2 million first mortgage.

Springfield ► Campus of Hope II, YWCA of Greater Springfield, 28 units, \$320,000 first mortgage, \$300,000 HomeFunders second mortgage.*

Preservation

Springfield ► Liberty Hill Townhouses, Better Homes Inc., 88 units, \$500,000 first mortgage.

Springfield ► Worthington Commons, First Resource Management Corp., 149 units, \$1.56 million first mortgage.

Neighborhood Stabilization Loan Fund

A new fund targeting \$22 million from private lenders, non-profit foundations and MHP for the acquisition and stabilization of foreclosed properties.

Springfield ► 4-6 Nelson Street, 1810 Realty Group, 3 units, \$119,000 construction loan participation.

Receivership in Springfield

MHP has committed nearly \$150,000 to support the City of Springfield and non-profit HAP Inc.'s efforts to stabilize foreclosed and distressed properties through receivership, a technique used to get property owners to make repairs, or to temporarily put properties into the hands of court-appointed receivers. MHP's funding has supported training for receivers and code enforcement legal work on 235 properties. The best success story so far: the appointment of a receiver to oversee the renovation of a 48-unit building plagued by crime and code violations.

* Funded by some of Greater Boston's most prestigious charities, HomeFunders is offered by MHP to help developers make more units available to lower-income families.

New Amsterdam Urban Center, Pittsfield

Last year's MHP annual report featured New Amsterdam Apartment's modular units being dropped into place. Here's what the apartments looked like a few months later.



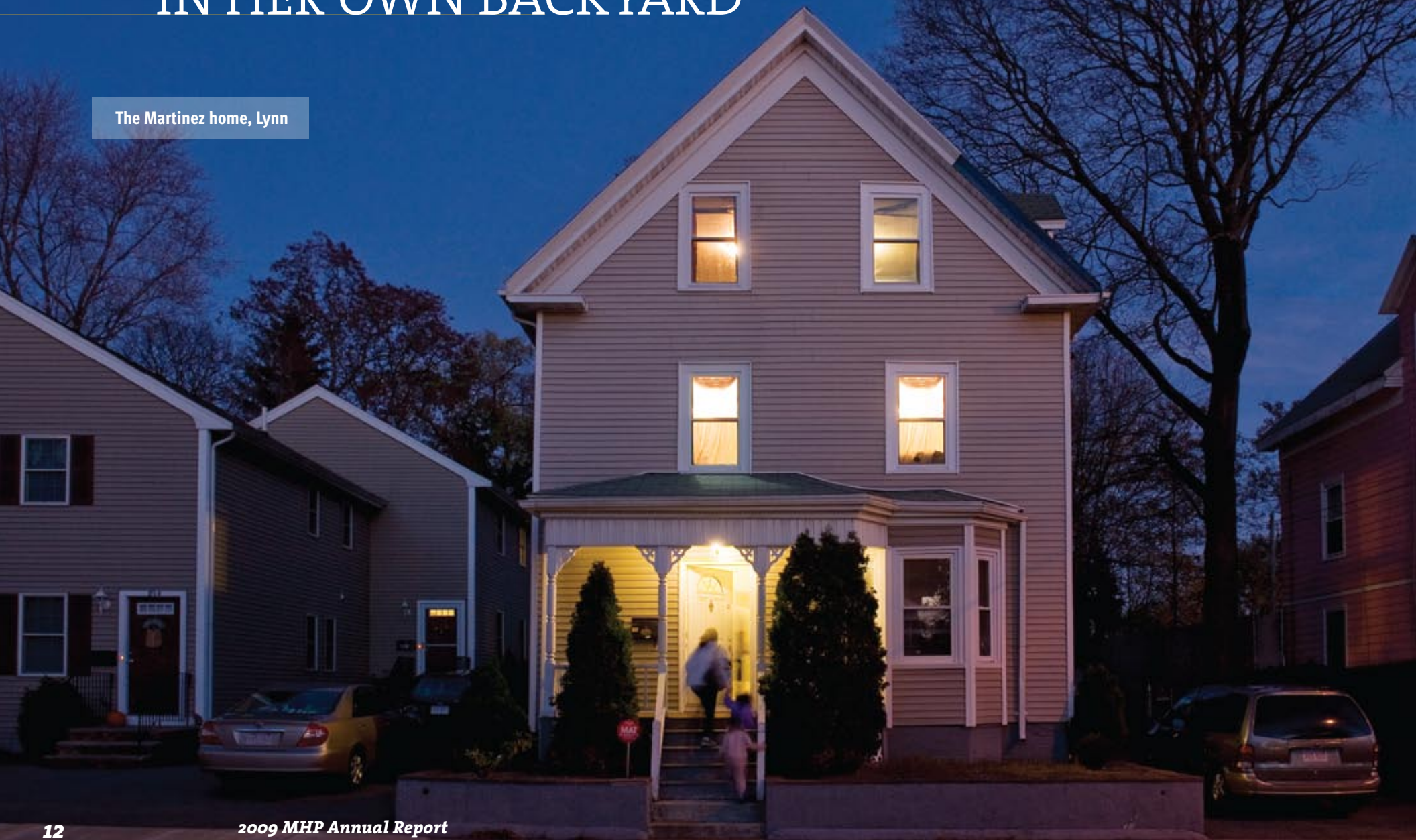
Franklin Street Apartments, Springfield

Before financing Liberty Hill, MHP provided a long-term loan to help transform six abandoned buildings on nearby Franklin Street into 36 affordable apartments.

HAPPINESS

IN HER OWN BACKYARD

The Martinez home, Lynn



TODAY

For Noemy Martinez, it's a simple pleasure. She can look out her window and take satisfaction knowing her boys can play outside anytime they want. That wasn't the case in her last apartment, where the landlord wouldn't let them near the yard. From that point on, Noemy was on a mission.

Today, she owns a two-family in Lynn. She lives in the four-bedroom apartment on the second and third floors, and rents out the first floor. In just a few months, she has fixed the water heater and painted the living room a cool shade of blue. The kitchen is next.

How did she do it? With a steady job at the state's Office for Children, some down-payment assistance from the City of Lynn and an MHP SoftSecond home loan through Sovereign Bank. "I'm not rich but I'm not struggling," she says. "I've never been happier."

Noemy Martinez with
sons (l-r) Ricky, Nelsen
and Andree.



TOMORROW

MHP's SoftSecond Loan Program has helped over 14,000 homebuyers purchase their first home. In 2009, SoftSecond had its third straight record year and made over 1,700 loans for the first time.

Why are so many low- and moderate-income homebuyers turning to SoftSecond? With the demise of sub-prime mortgages, SoftSecond is a secure alternative. Its fixed-rate bank financing and one-time state subsidy work to keep monthly payments low. This is a big reason why SoftSecond delinquency and foreclosure rates continue to compare favorably to those of prime loans in Massachusetts.

In 2010, an enhanced version of SoftSecond is available for the purchase foreclosed properties. Called Funds for Fixer-Uppers, this program waives SoftSecond's first-time homebuyer requirement and raises the household income limit to under 120 percent of area median income if the property is in a neighborhood that is eligible for federal Neighborhood Stabilization Program (NSP) funding.

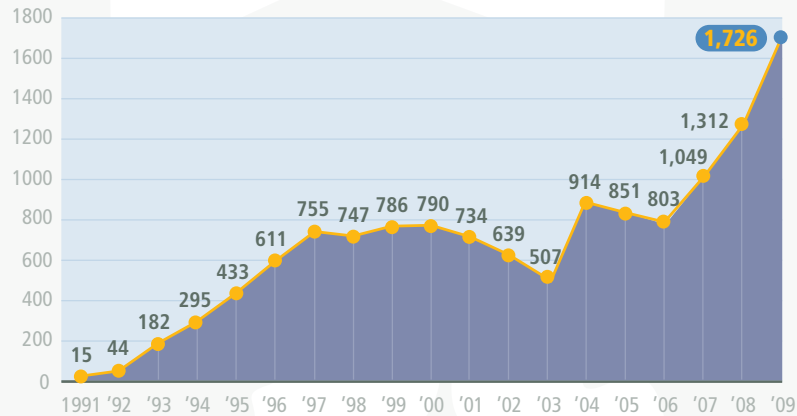
Properties in certain neighborhoods may also qualify for rehabilitation grants of \$20,000 per unit, up to \$40,000 per property. Early in 2010, MHP's application for NSP 2 funding was approved, making more funds available for foreclosed properties. Go to www.mhp.net/homeownership for more information.



SoftSecond Loan Program

The charts below and on the right show how SoftSecond has been able to increase its loan volume while staying true to its mission of serving low- and moderate-income first-time homebuyers.

SoftSecond loan volume history



SoftSecond loans by region, 2006–2009 (fiscal year)

Region	2006	2007	2008	2009
Cape Cod/Islands	14	21	36	38
Central	62	86	115	148
City of Boston	284	286	297	330
Merrimack Valley	56	123	132	229
Metro North	170	188	221	334
Metro South	22	69	68	86
Metro West	38	58	103	132
North Shore	22	45	38	59
South Shore	8	33	27	40
Southeastern	26	86	148	161
Western	101	54	127	169
Totals	803	1,049	1,312	1,726

SoftSecond average household income served, 2006–2009

Region	2006	2007	2008	2009
Cape Cod/Islands	\$41,385	\$44,031	\$45,515	\$42,621
Central	\$41,676	\$46,271	\$48,635	\$45,027
City of Boston	\$51,084	\$52,000	\$52,091	\$51,602
Merrimack Valley	\$42,562	\$48,273	\$48,757	\$46,869
Metro North	\$50,787	\$50,522	\$52,181	\$50,342
Metro South	\$50,063	\$48,830	\$53,303	\$54,125
Metro West	\$48,418	\$52,048	\$51,106	\$51,473
North Shore	\$48,605	\$49,584	\$51,749	\$53,941
South Shore	\$47,724	\$52,808	\$55,088	\$51,665
Southeastern	\$45,764	\$47,276	\$47,175	\$45,489
Western	\$36,185	\$40,187	\$41,056	\$40,144
Totals	\$45,841	\$48,348	\$49,696	\$48,481

SoftSecond: 20 years of success

Created in 1990, SoftSecond achieved two milestones in 2009, making its 14,000th loan and surpassing the \$2 billion mark in private bank mortgage financing.

SoftSecond's success is due to its support from the legislature, its homebuyer education counselors and its member banks, which include Bank of America; Bank of Canton; BayState Savings Bank; Boston Private Bank; Cambridge Savings Bank; Cambridge Trust; Central Bank; Chelsea-Provident Cooperative Bank; Citizens Bank; Clinton Savings Bank; Country Bank; Dedham Institute for Savings; East Cambridge Savings Bank; Eastern Bank; Enterprise Bank; Family First Bank; Florence Savings Bank; Holyoke Credit Union; Hoosac Bank; and Hyde Park Savings Bank.

Also, the Ipswich Cooperative Bank; Marlborough Cooperative Bank (a division of Butler Bank); Mechanics Cooperative Bank; Mount Washington Bank; Nantucket Bank; Needham Bank; Rockland Trust; Savers Bank; Southbridge Savings Bank; Southern Mass Credit Union; Sovereign Bank; Stoneham Savings Bank; The Lowell Five Cent Savings Bank; The Savings Bank; Wainwright Bank & Trust Co.; Webster Five Cents Savings Bank; Williamstown Savings Bank; Winchester Cooperative Bank; and Winchester Savings Bank.

To contact an MHP staff member by phone, dial 617-330-9944 and the appropriate phone extension.

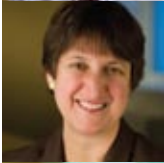
MHP STAFF

Executive|Legal

The executive/legal group oversees all aspects of MHP.



Clark L. Ziegler
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Loan Funds

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



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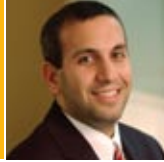
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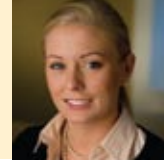
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Community Housing Initiatives

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.



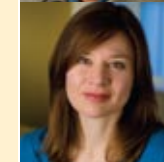
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Constance Kruger
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Homeownership Programs

This group manages the SoftSecond Loan Program, MassWorks (an employer-assisted program) and Funds for Fixer Uppers (for foreclosed properties). These programs have helped over 14,000 families purchase a home.



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SoftSecond Program
Operations Manager
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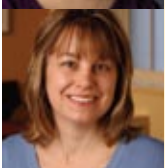
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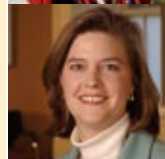
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Administration & Finance

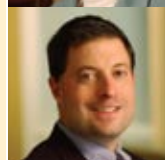
This group combines to help run the day-to-day operations and track MHP's overall financial performance.



Charleen Tyson
Chief Financial & Administrative Officer
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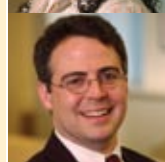
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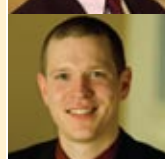
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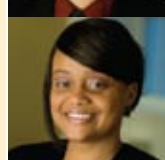
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Board of Directors

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.



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, **Scott Jordan**
Deputy Secretary for Capital Finance and Intergovernmental Affairs
(Designee for Secretary Jay Gonzalez)

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

MEMBER, **John Heerwagen**
Chairman, President & CEO, Middlesex Savings Bank

MHP NUMBERS

How MHP Is Funded

MHP was founded on the premise that housing solutions depend 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.

As a result, MHP's loan pool has grown to over \$1.1 billion, 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. Through June 30, 2008, MHP has made over \$643 million in loans and commitments for the financing of over 15,000 units of rental housing. Most of these units are affordable and most serve lower and moderate-income residents.

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 (Fleet Bank)	549,919,888	BankBoston	10,000,000
BNY/Mellon	163,065,654	Bank of America	18,000,000
The Bank of Western Massachusetts	11,366,732	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	NewAlliance Bank	625,293
Danvers Savings Bank	247,402	State Street Bank & Trust Company	13,343,742
Flagship Bank & Trust Company	6,860,133	TOTAL GRANTS	\$ 57,627,940
General Bank	336,393		
Great-West Life & Annuity Insurance Co.	3,809,655		
Hoosac Bank	856,819		
Rockland Trust Company	1,964,419		
Slade's Ferry Trust Company	223,113		
Sovereign Bank	172,306,577		
Toronto-Dominion (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	\$ 1,143,092,755		



	Year end June 30th 2009	Year end June 30th 2008
Statement of Net Assets		
Cash and Investments	\$ 85,704,954	\$ 69,215,643
Grant, program and interest receivable	7,832,602	11,729,730
Project Loans, net of reserves	309,830,675	275,995,130
Other Assets	409,486	381,323
TOTAL ASSETS	403,777,717	357,321,826
Accounts payable and accrued expenses	933,332	1,111,111
Accrued interest on project loans	1,038,950	1,037,333
Notes payable, project loans	305,516,104	272,106,242
Deferred revenue and other liabilities	40,714,779	20,163,255
Reserve for SoftSecond Loan Program losses	14,469,053	14,828,570
TOTAL LIABILITIES	362,672,218	309,246,511
Restricted Net Assets	26,738,819	33,731,561
Unrestricted Net Assets	14,366,680	14,343,754
TOTAL NET ASSETS	\$ 41,105,499	\$ 48,075,315

	Year end June 30th 2009	Year end June 30th 2008
Statement of Revenue, Expenses & Changes in Net Assets		
Income from direct lending, net of provision for loan losses	\$ 3,633,654	\$ 3,207,642
Grants and other private support	414,250	14,731,995
Governmental support	7,506,370	7,327,024
Interest on bank deposits and investments	1,022,193	2,513,536
Other income	1,259,258	1,004,059
TOTAL REVENUES AND SUPPORT	13,835,725	28,784,256
Salaries and Benefits	4,082,842	4,056,815
Professional fees and contracted services*	920,766	580,694
Community outreach, training and publications	70,497	80,259
Homebuyer support	727,650	557,950
Mortgage subsidies, reserves and grants	14,080,510	10,394,555
Occupancy and equipment	496,901	530,091
Other program and operating costs	426,375	467,185
TOTAL PROGRAM AND OPERATING COSTS	20,805,541	16,667,549
CHANGE IN NET ASSETS	\$ (6,969,816)	\$12,116,707

*Includes \$603,681 and \$162,575 in professional services in support of community outreach programs.

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

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Design: Merryman Design

Photography: Greig Cranna

Additional Photography:

Inside front cover photo of Governor Deval Patrick
by Eugena Ossi; Page 5 photo of Palmer Cove,
Salem, by Lia Ziegler

