

MHP

2019



Dream *Makers*

**COMMUNITIES,
DEVELOPERS &
RESIDENTS**

*striving to build strong
neighborhoods and better lives*

includes the 2018 ANNUAL REPORT

MHP 2019

MHP IMPACT

For three decades, MHP's bank funding & other capital sources have resulted in:



Apartments
financed
26,613



Mortgages to
first-time buyers
21,060



Communities
reached
335

Total financing
delivered
\$5.1 billion



MORE HOUSING FOR MASSACHUSETTS

During a meeting with business leaders last year, Gov. Charlie Baker and Lt. Gov. Karyn Polito discuss their comprehensive Housing Choice Initiative to increase housing production and build 135,000 new homes in Massachusetts by 2025. MHP was part of an interagency policy group that helped craft this initiative.

ABOUT MHP

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

In particular, MHP uses bank lines of credit and other capital funding to provide long-term loans for affordable rental housing. From 1990 through June 30, 2018, MHP provided over \$1.4 billion in loans and commitments for the financing of more than 26,613 units of rental housing.

MHP also helps communities build affordable housing by providing technical assistance in over 300 communities. MHP's first-time homebuyer programs – formerly SoftSecond and now ONE Mortgage – have helped more than 21,060 low- and moderate-income families purchase their first home and have provided over \$3.7 billion in private mortgage financing.

COMMUNITIES

- 2 MHP's work
- 4 Helping Orleans
- 5 Goshen gets it done

DEVELOPERS

- 8 POUA rebuilds Haverhill corner
- 10 Larry Curtis, historic developer

RESIDENTS

- 14 Helping Caritas & Miguel Padilla
- 18 Seizing opportunity on Mission Hill
- 20 Owning their dreams in Springfield

ABOUT MHP

- 22 Staff & board directory
- 24 2018 MHP Annual Report

On the cover: Yarn Works apartments, Fitchburg.

As required by Section 35 of Chapter 405 of the Acts of 1985, the 2018 Annual Report of the Massachusetts Housing Partnership is respectfully submitted to:
Charles D. Baker, Governor Commonwealth of Massachusetts
Michael J. Rodrigues, Chair Senate Ways and Means Committee
Aaron Michlewitz, Chair House Ways and Means Committee
Michael J. Heffernan, Secretary Executive Office for Administration and Finance



MESSAGE FROM THE
BOARD CHAIR AND
EXECUTIVE DIRECTOR

MEETING THE CHALLENGE

It is our pleasure to report on the activities of the Massachusetts Housing Partnership.

We are living in an era of dramatic contrasts. On one hand, the Commonwealth is dealing with the most severe housing crisis in its history. Housing production is dangerously low and housing costs in metro Boston are now among the highest in the U.S. Homeless shelters are filled to capacity and nearly a quarter of a million low income households are paying more than half of their monthly income for rent.

On the other hand, we're making meaningful progress. A new generation of local leaders is determined to expand the availability of affordable housing and to make their communities more inclusive. Every day, the state housing delivery system is becoming more effective.

And MHP is in the thick of it.

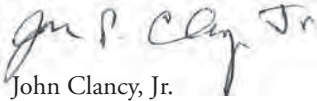
Our Center for Housing Data has been a strong and credible voice at the State House and across the Commonwealth on the compelling need for new housing at all price levels and the importance of housing to our state economy.


Our multifamily lending team has provided long-term financing for more than 26,000 apartments statewide, ranging from handfuls of affordable units on town-owned land to large-scale mixed-income developments.

Our homeownership team has partnered with banks to finance more than 21,000 home purchases by low- and moderate-income first-time homebuyers in 304 cities and towns. More than half are households of color and most of the loans are in cities that were historically underserved by conventional mortgage lending.

And our community assistance team has now worked with thousands of local officials and concerned citizens to support local initiatives ranging from creation of municipal affordable housing trust funds, to development of affordable housing on donated land, to zoning that promotes increased housing density and greater affordability.

We'll continue to do our part at MHP and we remain confident that the Commonwealth can and will rise to meet this challenge. Many thanks to the Governor, Lieutenant Governor, legislative leaders, and our banking, business and community partners for your engagement on affordable housing and for your support of MHP's work.


John Clancy, Jr.
Chair


Clark L. Ziegler
Executive Director

MHP'S FOUNDATION IS WORKING WITH

COMMUNITIES

Massachusetts is often praised for providing communities with a variety of "tools." For example, when Governor Charlie Baker unveiled a package of initiatives to spur housing growth, Geoff Beckwith of the Massachusetts Municipal Association said, "We applaud the Governor's Housing Choice Initiative, because he is standing with cities and towns, and offering resources and tools that are necessary to make real progress together."

Of course, you have to understand how to use these tools and no state organization has devoted more to helping municipalities, housing authorities and local non-profits than MHP. Since 1986, MHP has provided support and technical assistance to 335 cities and towns.

"Working with communities informs everything we do," said Susan Connelly, MHP's director of community assistance. "Going to towns and talking to local leaders shapes our guide-books, our direct assistance, our financing and our policy work."

“Working with communities informs everything we do.”

Susan Connelly, MHP's director of community assistance



Highlights of MHP's outreach to communities in 2018:



WORKSHOPS & TRAININGS

The community assistance team hosted 16 trainings, including the 12th annual two-day MHP Housing Institute. All told, MHP trainings reached 406 unique participants from 102 communities.



TECHNICAL ASSISTANCE

The team provided direct support or funding for third-party consultants to 18 communities or housing authorities. MHP also provided assistance to towns reviewing proposed Ch. 40B developments and towns exploring new ways to change their zoning to promote affordable housing.



POLICY

MHP's Center for Housing Data was part of Governor Baker's interagency task force that created the Housing Choice designation and grant program. The community assistance team's policy efforts included support for the state's rural policy commission, financing for the South Shore Chamber's economic growth initiative and public housing reform through Mel King Institute trainings.



GRANTS

The most significant support went to the Citizens' Housing and Planning Association's (CHAPA) new municipal engagement initiative. MHP also provided grants for the Cape Cod Housing Institute and NeighborWorks America's "Strength Matters" workshops to help community development corporations maintain fiscal strength.



ON-LINE RESOURCES

MHP collaborated with CHAPA and the state to launch www.housingtoolbox.org, a one-stop resource to help municipalities create affordable housing. After Toolbox, MHP built a front-end complement: DataTown (www.mhp.net/datatown). This new web site compiles community-level information into data visualizations for every Massachusetts community. "DataTown and Toolbox are meant to complement the work MHP does in communities every day," said Callie Clark, who co-directs the Center for Housing Data with Tom Hopper.



DataTown and Toolbox are meant to complement the work MHP does with communities every day.

*Callie Clark and Tom Hopper,
co-directors of MHP's Center for
Housing Data*



CONNECTING

COMMUNITIES

WITH INFORMATION

Connecting local leaders to information so they can turn ideas into action is the essence of what MHP's community assistance team does every day. The Town of Orleans is a case in point.

In 2017, the town did a housing study. One of the recommendations was that it adopt a Municipal Affordable Housing Trust, a type of trust that is most effective in creating affordable housing. Not knowing how different types of trusts work, the town's Affordable Housing Committee (AHC) called MHP in the fall of 2017.

MHP's Shelly Goehring arranged to meet with committee members via Skype. She explained the benefits of adopting a municipal trust and remained in touch throughout the winter. With this guidance, the AHC made presentations to various town groups and submitted an opinion article to the local newspaper. Three town committees – select board, finance and community preservation – got behind the measure.

In the spring, Town Meeting voters did too, approving the municipal trust and funding it with \$300,000 in Community Preservation Act funds and \$275,000 through a tax override. "MHP really got the ball rolling," said Katie Wibby, the chair of the AHC. "Having a municipal trust will allow us to purchase property. That's a huge step forward."

Helping communities understand trusts has been a focus for MHP since 2005 when the state legislature enacted the Municipal Affordable Housing Trust Law, simplifying the process of establishing a local housing trust. Since then, 98 communities have adopted municipal trusts and MHP has created a guidebook and an operations manual to help communities create effective trusts. In 2016, MHP increased its efforts thanks to a multi-year grant from the Kuehn Foundation. This enabled MHP to hire Goehring to teach

communities about municipal trusts. In two years, Goehring has reached 117 communities through trainings, roundtables and direct assistance.

The increased focus also enables MHP to respond to motivated volunteers like Wibby and the Orleans AHC. A mother of two and a staff attorney at South Coastal Counties Legal Services, Wibby makes time to serve as chair of the AHC because she believes in affordable housing. "I think my experience in the public sector as a public defender and legal aid attorney has taught me that housing is the thing that allows people to become stable in their community," she said.

She also wants to make sure her children have a future on the Cape. "Families are leaving the Cape, and we can assume that part of the reason is the lack of affordable housing," Wibby said. "I want my girls to have friends to grow up with and someday be able to stay and live in the community."

"I think my experience in the public sector has taught me that housing is really the thing that allows people to become stable in their community."

KATIE WIBBY





GOSHEN

shows what local funds can do.

In December 2018, residents from Goshen Senior Housing crossed the street to join about 30 others at Town Hall for the Council on Aging holiday lunch. The celebration gave MHP a chance to ask questions about the new senior housing.

“Before, it was just a lot with an abandoned parsonage,” said former selectman Don Boisvert after changing out of the Santa suit he had worn to liven up the festivities. “Now, we have residents who are engaged in the community.”

Developed by the Hilltown Community Development Corporation, the \$2.5 million development features 10 affordable apartments. Located northwest of Northampton next to the Goshen Congregational Church, it’s an example of what small towns like Goshen – population 1,000 – can do when residents have local funds to back their ideas.

Goshen, continued on P. 6

Don Boisvert says having local funds and motivated volunteers were key.



Goshen, continued from P. 5

Boisvert traces the idea back 25 years to the late Marguerite Webb, a church member who was vocal about creating smaller homes for the elderly. The idea went nowhere but the seeds of progress were sown in 2008 when the town adopted the Community Preservation Act, which allows communities to impose a property tax surcharge and use the funds for open space, historic preservation or affordable housing. In 2010, Boisvert – no longer a selectman – got the board to OK an elder housing committee. “Volunteerism is difficult in small towns,” said Boisvert. “It goes a long way when you can go to selectmen and say, ‘here is an idea and the volunteers to make it happen.’”

Slowly but surely, Goshen Senior Housing was built. Voters OK’d \$80,000 in CPA funds so that the elder housing committee could study and negotiate to buy the church site. Later, when Hilltown CDC applied for state funding, Goshen OK’d another \$50,000 in CPA funds.

MHP – a longtime lender to Hilltown CDC – provided a Project Eligibility Letter, which a developer needs to apply to the town for a Ch. 40B comprehensive permit. MHP also provided a \$500,000 loan. “This had true community support and it’s why smaller projects have always

been part of our DNA,” said MHP’s David Hanifin, the loan officer on this project.

At the holiday lunch, residents said they were happy to be living in an apartment that was affordable, well-heated and didn’t have stairs. Frank and Nancy Kosior are one example. Married 58 years, they raised four children in their Williamsburg home. A few years ago, Nancy started to have trouble walking. Frank was worried to leave the house because he was afraid she’d fall. Meanwhile, money was getting tight. They were beginning to pay bills with credit cards.

The new housing in Goshen presented an option, but it wasn’t a move they made easily. They were used to their 2,000-square foot home. Frank, a retired carpenter, had a place to keep all his tools, which Nancy calls his lifeblood.

Reflecting back now, they can’t believe they hesitated. They like the location, have grown used to living in 700 square feet, and don’t miss having to stand next to the wood stove all winter to stay warm. “This place is easier on me and Nancy,” said Frank. “It’s the smartest move we ever made.”



It was hard for Frank and Nancy Kosior to leave their home of 52 years, but now they are glad they did.

DEVELOPERS

REVITALIZING

Gateway
Cities

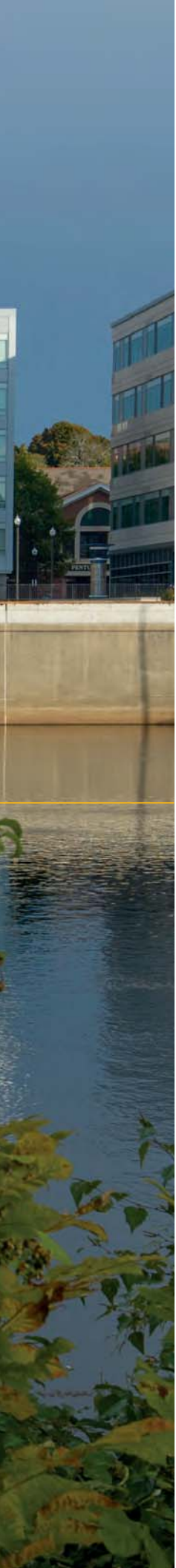
Making the
OLD NEW in
Haverhill &
Fitchburg

At the eastern gateway to downtown, Harbor Place stands as a monument to Haverhill's progress.

HAVERHILL

A *R*iver OF OPPORTUNITY

DEVELOPERS



Growing up in Haverhill, Mayor James Fiorentini has many memories of the city’s downtown. He remembers taking the bus from his parents’ home to visit his grandparents at the store and restaurant they owned. On the way home, he’d stop at F.W. Woolworth to buy goldfish food and eat a banana split at the long Woolworth’s lunch counter.

Another memory is seeing the Woolworth building empty. He saw this a lot because the landmark store along the Merrimack River closed in 1970 and remained that way for 45 years. During this time, Fiorentini built a law practice and political career, first as a city councilor and then when he was elected mayor in 2003.

This is why Fiorentini and so many others are excited when you ask them about Harbor Place at the corner of Merrimack and Main. “We waited a long time for this,” Fiorentini said. “Most people can’t remember when Woolworth’s was not an abandoned eyesore.”

Developed by the Planning Office for Urban Affairs (POUA) and the Greater Haverhill Foundation, Harbor Place features a five-story office building, a six-story 80-unit mixed-income apartment building, and a plaza with three walkways to the river.

Creating access to the river was a challenge due to a 10-foot high flood wall. To connect the river with Main Street, developers knocked down the Woolworth building and seven buildings around it. They worked with the state and the Army Corps of Engineers to raise the level of the street. They built a development platform even with the height of the new street and the top of the flood wall. They put a parking garage under the platform and built Harbor Place on top of it. A boardwalk was added, giving pedestrians access to the river for the first time since the 1930s.

There were other challenges. Developers worked with the city to create new zoning. They put together a financing package that included Bank of America, MassWorks infrastructure funds, tax

credits, city tax incentives and state funds for market-rate housing in gateway cities. Finally, they received a \$7 million loan from MHP, which supported two previous POUA developments in Haverhill as well as revitalization efforts in downtown Boston, Dorchester, Lynn and Salem.

“This part of the city had seen a lot of disinvestment,” said POUA executive director Lisa Alberghini during a half-hour interview in which she rattled off every detail of the \$70 million project. “You couldn’t see the river. To be able to renew the life of the street has been transformative.”

Glorimar Vazquez can attest to that. For seven years, she has worked at Lahey Behavioral Mental Health, rising from filing medical records to becoming the central scheduler for 25 clinicians. She goes to work every day trying to provide for her daughter Yaira the things she did not have as a child. When Glorimar was young, her parents split up, sending Glorimar on an odyssey that included 13 homeless shelters between Haverhill and New York City.

Providing the best for Yaira was difficult at their previous apartment. Drug use was rampant and Yaira once found needles in the yard. When Glorimar heard about Harbor Place, she didn’t think twice. When their application was accepted, she and Yaira cried. Something good was happening. Their home is safe. There’s a Market Basket grocery store across the street. “I feel at peace that I don’t have to worry about my daughter,” said Glorimar.

Yaira feels the same way. “I love walking on the boardwalk, playing hide and seek, and doing gymnastics in the grass,” she said. “You can do so many things with your imagination out there.”

Glorimar Vazquez and her daughter Yaira love the location and safety of their new home.



POUA’s Lisa Alberghini sees Harbor Place as transformative for the community and residents.

HISTORIC DEVELOPER

Larry Curtis' can-do approach has made historic revival a Winn trademark

Larry Curtis remembers the first time he saw Fitchburg Yarn. He was driving to western Mass. with his family to visit his wife Marla's parents and he decided to pull off Route 2 to check it out. He drove through the city and then west along the Nashua River. When he reached the mill, he peered through the winter darkness and drank in the size of the giant, boarded-up windows, the high-ceilinged power plant room, and the massive chimney reaching toward the heavens. He remembers saying how unbelievable and great it was and then noticing that his family was looking at him like he was dreaming.

As his enthusiasm hung like a breath in the cold night air, his family also had to be thinking what everyone else says about Larry Curtis. He's an eternal optimist, a visionary and a focused, passionate leader who has helped secure WinnCompanies' place as one of the foremost developers of historic properties in the country. "There are several Larry-isms that have been the guiding inspiration for Winn over the last 35 plus years," said his son Meade, a vice president at WinnDevelopment, a Winn affiliate. "One is to never say the words 'never, won't or can't.' Those are just not in his vocabulary."

Fitchburg Yarn is one of the most recent examples of that. Today, it features 96 spacious mixed-income apartments – 57 market rate and 39 affordable. The power plant room is now an inviting, spacious community room. The chimney stands guard over Fitchburg's

industrial past. Big, black-framed windows offer views of the river and the hills that frame the valley.

"They've connected the old with the new and put a vacant mill back on the tax rolls," said Fitchburg Mayor Stephen DiNatale. "People love those old wooden columns and the large windows and the light. Winn has taken something that was abandoned and made it a place where people really want to live."

A lot of local leaders could say that. Winn's track record with historic properties dates back almost 40 years to when, under the direction of founder Arthur Winn, it redeveloped a former Georgia cannon factory into a new bank headquarters. Under Curtis, Winn has turned historic revival into a trademark, having transformed 36 historic schools, mills, factories and other properties in five states into more than 3,600 units of mixed-income housing. Fifteen have been done in Massachusetts in cities like Boston, Fall River, Lawrence, Lowell, Ludlow, New Bedford and Worcester. Fitchburg Yarn and three other mill redevelopments in Ludlow and Lawrence have been rehabbed with long-term financing from MHP. MHP is supporting Winn's next mill development in Attleboro.

"Winn is one of the best at turning historic mills into housing," said Clark Ziegler, MHP's executive director. "Larry has built a team that

Larry Curtis, continued on P. 12





The windows, the smokestack and the power plant room to the right of the main entrance are architectural details that Curtis sought to preserve.



Under Larry Curtis' leadership, turning historic mills into housing has become a WinnDevelopment trademark.

"WinnDevelopment has connected the old with the new and put a vacant mill back on the tax rolls."

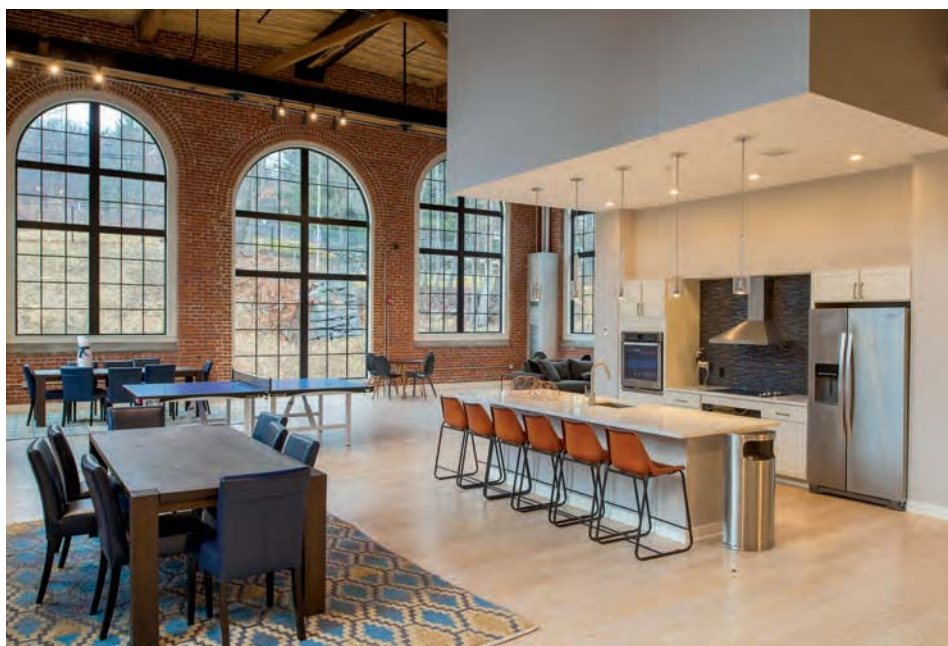
STEPHEN DiNATALE
Mayor of Fitchburg

Larry Curtis, continued from P. 10

makes the complicated look simple while preserving history and creating homes that will serve working people and families for years to come.”

Larry Curtis is the son of a Long Island real estate attorney who practiced out of a storefront law office in Massapequa, New York. Curtis caught the real estate bug when he was eight years old when he attended the Christmas party of his father’s best client. Curtis described their host as “the big real estate developer with the big house on the hill” and remembers proclaiming that night that he wanted to be that guy. Curtis chuckles now, calling it a moment of “perceived largesse.”

By 18, he had bought and sold his first property and did so a few more times during his undergraduate years while studying to be an architect at The Cooper Union in New York City. On the side, he started a painting company that was so successful that comedian Jerry Seinfeld’s father Kalmen tried to recruit him to eventually take over his commercial painting company, which was located two doors down from Curtis’ father’s law office.



The old power plant room now serves as a community room for Yarn Works’ residents.

Instead, Curtis went to Harvard, where he got a master’s in urban planning and architecture. He cut his teeth managing the real estate portfolio of investor John Kaneb, who now owns HP Hood and is part owner of the Red Sox. In 1987, Curtis decided to branch out. He had site control of some land in Andover and wanted to develop it into mixed-income housing. Real estate lawyer Howard Cohen, who later founded Beacon Communities, arranged a meeting with Arthur Winn. Curtis presented his Andover idea. Winn agreed to partner with Curtis on the development, and that partnership has lasted 32 years.

In his early years at Winn, Curtis focused on purchasing “naturally occurring affordable housing” – failed condos or tired suburban

garden apartments. MHP used its private financing to help support one of Winn’s early developments in 1997 – the acquisition of 290-unit Meadow Green apartment complex in Chicopee. This was the first loan MHP ever did with Winn. As of today, MHP has provided Winn with over \$58 million for the financing of over 1,500 apartments in 12 communities. More than 1,200 are affordable.

During these years, Curtis often did not promote that he was an architect because “from a banker’s point of view, you were not a serious businessman, you were a dreamer.” Winn did some historic revitalization in strong markets like Boston but its work in this niche took off in 2003 when Massachusetts created the state historic tax credit. This program, used in combination with federal historic credits and housing tax credits, made the financial math work in gateway cities, said Curtis.

“Now, that old mill building or old high school with the broken windows and the weeds two feet tall in the parking lot could be redeveloped,” said Curtis. “These buildings may not be the most iconic structures on the face of the earth, but there’s a long-term community association with them. People remember that their grandparents or great grandparents worked there. The whole story of the community is in these buildings.”

With these historic buildings, the architect in Curtis could come out. Whenever possible, he tries to keep the characteristics of the mills visible. He scoffs at the idea of hiding bricks and beams with wallboard and dropped ceilings. He describes the challenge as “building a building within a building,” and because of that “everything matters: the design of the building, the dimension of the building, the column grid of the building, the ceiling height, the window pattern. This is where I lead with my architecture background.”

Fitchburg Yarn presented a unique problem because it is 130 feet wide, much wider than most mills that have a corridor down the middle and apartments on each side. Curtis and his wife Marla – also an architect – figured out how to fill the space one night at the dining room table with pencil and tracing paper. Part of the solution was adding a den area just inside the apartment door.

The den was one of the rooms Fitchburg Yarn residents Carlos and Mariah Reberon pointed to proudly when giving a tour of their 1,100 square-foot, two-bedroom, market-rate apartment, which they rent for \$1,700 a month. The room is tastefully decorated with lots of photos of their families.

A few steps from the den is the kitchen, which is part of an open floor plan that feeds into the living room and the large windows beyond. The Reberons can scarcely believe their good luck, considering they were frantically looking for a place to live just a few months before.

Carlos Reberon is “career Army”. He’s lived all over the country and the world, with two tours in Iraq and one each in Afghanistan and Bahrain. In the fall of 2018, while stationed in Illinois, he was transferred to Worcester to be an army recruiter. He left for his new assignment while his wife Mariah and daughter Adyline went to El Paso to live with family. Carlos started his new job while Mariah searched online. Their early focus was on communities around Worcester, and they immediately experienced sticker shock. “Everything is double here,” said Mariah. “I was seeing 900-square foot apartments for \$2,200.”

Then Fitchburg Yarn caught Mariah’s eye. She told Carlos to check it out. By December 2018, they had signed a lease and were settled in. “I’ve been in the Army for 15 years, I’ve lived in a lot of places, and I’ve never seen apartments like this,” said Carlos. “I like that the building isn’t too big. It’s just three floors but the apartments are huge.”

Mariah agrees. “I love that we got a big place with a decent rent,” she said. “And I love the history. It has this raw texture. It’s fascinating.”

Curtis is quick to credit his team for Winn’s success. At the Yarn Works grand opening, he specifically praised the work of Bob Verrier and The Architectural Team, which has done many of Winn’s mill developments. He singled out Winn Director of Acquisitions Rachel Edwards for spotting Fitchburg Yarn and Vice President LeAnn Hanfield for overseeing construction of Fitchburg Yarn Works and the creation of new homes for working people like the Reberons.

“Communities like Lawrence, Fitchburg, Lowell and Ludlow have these incredible physical structures that have been rehabilitated into housing at a price that’s affordable to people with normal paychecks,” he said. “People who are coming to live here are becoming active members of these cities and they are bringing life back to places that had no life. They are great places to rehabilitate, great places to live in and, collectively, one building at a time, they are remaking communities.”



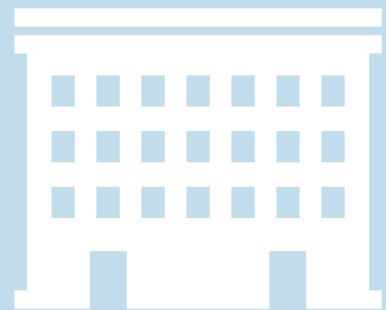
Not only do Carlos and Mariah Reberon like the mill details and the views, the large space is a perfect play area for their daughter Adyline.

MHP FINANCING

MHP recently passed the \$5 billion mark – \$1.4B for the financing of 26,000 apartments and \$3.7B through participating lenders to help 21,000 people buy their first home. What does this mean? The following pages will give you a taste of how our financing can change lives.

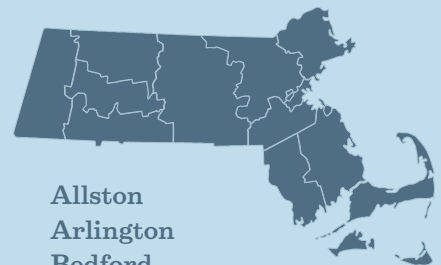
FOLLOW THE MONEY

to see how we are helping Caritas Communities achieve its mission.



CARITAS OWNS AND OPERATES

30 apartment buildings in the Greater Boston communities listed below. Low-interest financing is key to Caritas' ability to rent rooms to very low-income individuals.



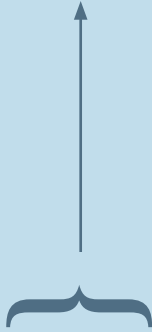
- Allston
- Arlington
- Bedford
- Boston
- Braintree
- Brookline
- Cambridge
- Chelsea
- Everett
- Medford
- Quincy
- Salem
- Wakefield

12
PROPERTIES

REPRESENTING

263
APARTMENTS

MHP'S LOAN
COVERS



MHP has helped Caritas by consolidating two smaller loans into one 40-year loan at a lower fixed rate, enabling Caritas to keep rents low.



Allston : 61 units



Arlington : 20 units



Arlington : 15 units



Everett : 35 units



Medford : 16 units



Dorchester : 12 units



Dorchester : 12 units



Roxbury : 20 units



Braintree : 21 units



Everett : 29 units



Dorchester : 11 units



Dorchester : 11 units



More important,
it's helping
Miguel Padilla
pursue a better life.



RECOVERY



Miguel Padilla's progress and hope made possible by a room and job from Caritas

On the phone and in person, Miguel Padilla is rigorously honest. The first time we called him about appearing in the MHP annual report, he was blunt about his past, grateful for today and hopeful for tomorrow. "I'd been living on the streets so long, I didn't know life could be better," he said. "Now I just want to keep going up and up."

WALKING THE TALK ON RECOVERY ROAD

most – over 70 percent have been homeless, 20 percent have been chronically homeless for two consecutive years, and 60 percent earn less than \$15,000 a year.

Caritas' job is made tougher by the fact that it operates in one of the most expensive real estate markets in the country. It is able to offer rents between about \$500 and \$700 a month because of lenders like MHP. Since 1994, MHP has made eight loans to Caritas to help it purchase properties or refinance them on better terms. Most recently, MHP helped Caritas by consolidating two small loans representing 12 properties and 263 apartments into one \$4.4 million, 40-year fixed-rate loan. This loan lowered Caritas' overall interest rate to 4.38 percent and extended the affordability of these homes from 2022 to 2057.

"Through the years, MHP has been a valuable partner in our mission to offer homes to those who can't afford it and those who are at risk of being homeless or homeless again," said Karin Cassell Mitterando, executive director of Caritas. "MHP's latest loan will help us keep rents low for the people who need it most."

The trickle-down effect of this financing is that it provides a launching pad for people like Padilla. On drugs since 15, Padilla did two prison terms, became estranged from his family in Holyoke and ended up on the Boston streets addicted to heroin. Many nights, his bedroom was Boston Common.

"Every morning I'd get up and I'd see families walking their kids to school and people going to work all dressed up, and I just was in a daze," he told us when we met with him at his apartment at a Caritas residence in Dorchester. "I would say to myself, 'These people are fools.' That was my mentality."

It all changed one morning when Amanda Proctor from the Pine Street Inn walked up to Padilla in Boston Common and handed him her card. "She told me there's a better life out there if I wanted it," said Padilla.

Padilla wanted it. He was tired of waking up each morning wondering about where he'd eat, sleep or get his next fix. He called Proctor and began his long daily journey out of addiction. There were rehab stays in Boston and Worcester, and then a room at Caritas. For the first four years, he seldom left his room. "I was like a bear," he said. "I hibernated. I'd just come out to use the rest room and eat soup. I made sure nobody saw me. I was so used to being incarcerated."

The turning point came about two years ago when a Caritas property manager hired him to clean his apartment building's common areas. That worked out and today Padilla works 32 hours a week cleaning his building and another building and painting at other Caritas sites. He gets up every day, gets in his car and goes to work. He goes to substance abuse meetings, speaks with counselors and hasn't used heroin in two years. "Caritas saw something in me and my life changed," he said. "I've learned how to speak more professionally. I observe the way (my bosses) speak and practice being more professional so I can make my life better."

Now 48, clear-eyed and strong, Padilla hopes to keep going and rebuild relationships with his family. He calls his mother regularly and is working to reconnect with his two adult sons. "I just want to be a good father now that I'm doing the right things," he said. "I can show them that I'm the man I can be and the father I can be and I want to be there for my grandson. My sons are grown now but whatever I didn't do for them I want to do for my grandson."

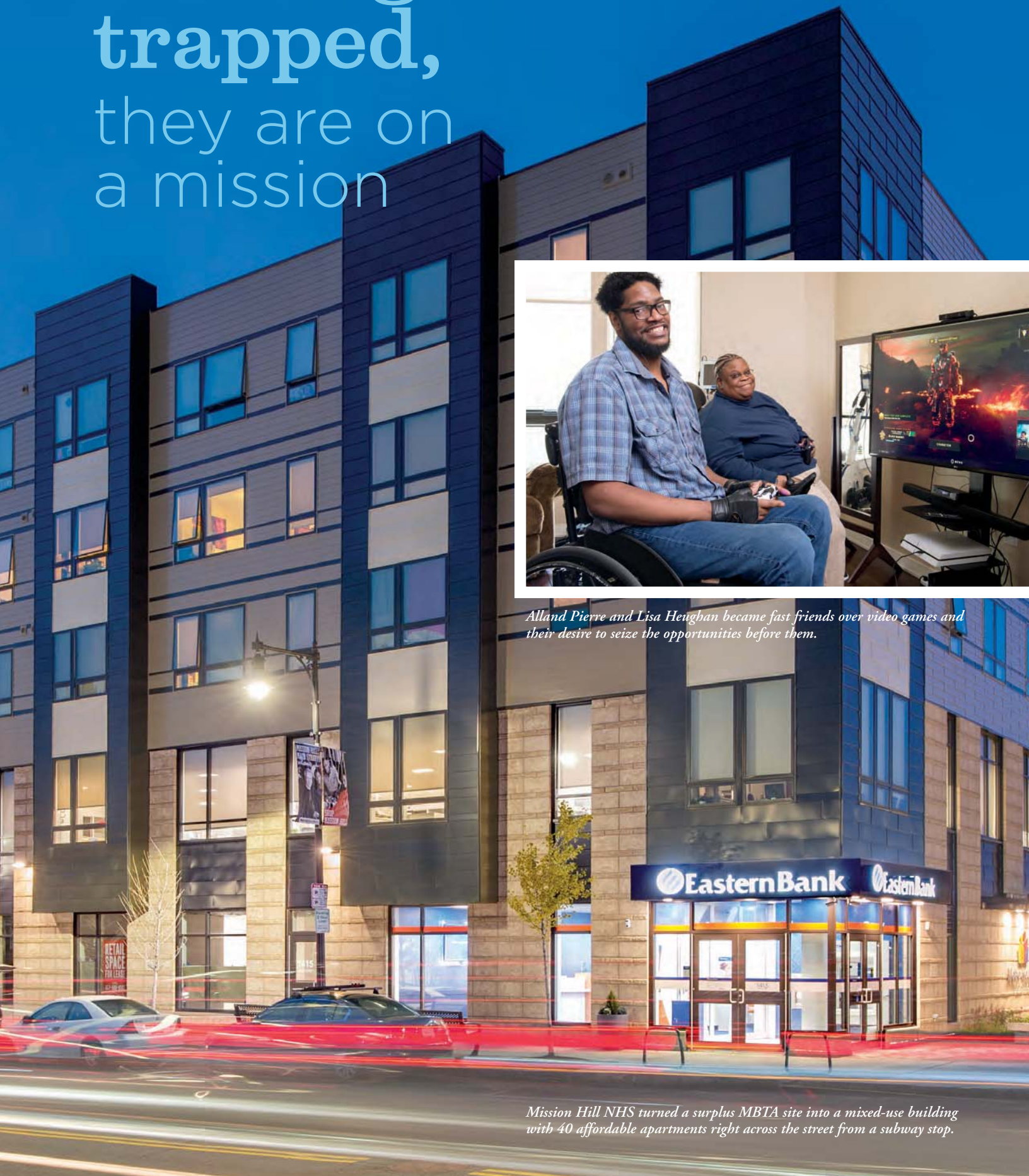
Padilla can be optimistic because he has a roof over his head, a job and counselors he can talk to thanks to Caritas Communities, one of Greater Boston's most effective providers of homes and services to the very low-income and formerly homeless.

Founded in 1985, Caritas owns and operates 30 single-room apartment buildings in Greater Boston. The over 1,000 men and women who live in Caritas homes are the ones who need it

No longer trapped, they are on a mission



Alland Pierre and Lisa Hewghan became fast friends over video games and their desire to seize the opportunities before them.



Mission Hill NHS turned a surplus MBTA site into a mixed-use building with 40 affordable apartments right across the street from a subway stop.

Although the circumstances that put Alland Pierre and Lisa Heughan in wheelchairs are different, their experience adjusting to their new reality was the same. They felt trapped.

“I sat in a nursing home for over two years filling out housing applications,” said Alland. “It was like being in a super minimum security prison.”

“The last place I lived in was semi-accessible, but the area wasn’t the best,” said Heughan. “I was terrified to go out.”

Not so much anymore. They are two of the new residents at One Gurney Street, and the connections they’ve made symbolize the vision Mission Hill Neighborhood Housing Services Executive Director Pat Flaherty had when she first started dreaming about this trash-strewn site in the 1990s, known as Parcel 25.

Once upon a time, this part of the city was a bustling commercial center. In the 1960s, the land was taken as part of the planning for bringing Route I-95 through the city. The highway idea was defeated but the property remained vacant. Owned by the MBTA, it was used to store construction debris. Flaherty saw the site as a wasted opportunity since it is right across the street from the Roxbury Crossing subway station.

Fresh off from developing Brigham Circle commercial center at the other end of Mission Hill, Flaherty and her team started meeting with residents. From 2007 to 2009, 14 meetings were held and residents made it clear they wanted to see a mix of housing and jobs. In 2012, Mission Hill NHS bought the site and shifted into development mode.

Today, thanks to public and private financing that included a \$2.9 million loan from MHP, the vision for Parcel 25 is a reality. Metro Housing Boston – the state’s largest provider of housing subsidies and services – moved all of its more than 160 employees there. Eastern Bank, which provided construction financing, opened a branch. The upper three floors feature 40 affordable apartments. The property is no longer governed by fences but by walkways. “We want Gurney Street to be a place where people can make connections,” said Flaherty.

Pierre and Heughan represent that vision. At first glance, they are an unlikely pair. Pierre, 34, went to public school in the city.



Mission Hill NHS Executive Director Pat Flaherty says the goal of One Gurney Street is to connect people with the neighborhood.

Heughan grew up in the city but went to high school in the suburbs. Pierre worked as a mechanic. Heughan has been an educational and medical researcher, with degrees in computer engineering and psychology. Pierre was paralyzed in 2015 when he was stabbed in a bar fight. Heughan has been losing her strength for the last 15 years due to an auto-immune disease.

They became friends at One Gurney while waiting for the elevator. Pierre was talking to another resident about video games. Heughan eavesdropped and started to pick Pierre’s brain because she was tired of losing to her 11-year-old nephew. Alland realized that Heughan’s video game experience was limited to basic games like Tetris. He began to school her on Play Station 4. Their conversations led to friendships with other residents in the building.

Pierre and Heughan share a strong desire to take advantage of opportunities Gurney Street has put within their reach. Pierre is exploring academic opportunities at nearby Wentworth and Northeastern, partly to honor his late mother Ginette. “My mother’s been gone seven years. I want to honor her and show her something,” he said.

Heughan feels safe to go out and be part of the community again. She is on the board of the nearby community center and teaches an art class across the street at Maria Sanchez Senior Housing. “My attitude is ‘I’m still here and we all have a purpose,’” she said. “I’ve worked with children who were really sick. In comparison, this is an inconvenience.”

American dreams COME TRUE

For the Durans, buying a home with ONE Mortgage symbolizes that their journey from the Dominican Republic is complete



The Durans had spent an hour answering questions about their journey from the Dominican Republic to Springfield. The interviewer was closing his notebook when 16-year-old Ambar Duran pointed out they had not been asked the most obvious question of all.

“What is the American dream?”

Ambar felt this was important because the answers would capture the gamble her father José had taken to come here, the determination her mother Anne displayed in keeping the family together, and the dreams she and her younger brother Roberto now have.

Their story begins when José Duran came to the U.S. by himself because he wanted a better life for his children. He drove a taxi in New York City and then came to Springfield, where he worked as a machine operator in a mattress factory. Back in the Dominican Republic, Anne was raising two infants and missing her husband. “Sometimes, it hurt,” she said.

Life got somewhat better in 2011 when Anne, Ambar and Roberto joined José in Springfield. Now U.S. citizens, they remember this as a time of different uncertainties. Ambar and Roberto were in English classes with students who didn’t share their passion for learning. They felt held back. “I wanted to be in the other classes,” said Roberto.



Meanwhile, they were living in an apartment in the Forest Park section of Springfield, primarily a renter-dominated, absentee-landlord part of the city. José and Anne felt frustrated that they couldn’t paint the rooms without permission and that their children had to share a bedroom. José remembers his wife telling him every day that they had to buy a house.

José and Anne took a first-time homebuyer class through Way Finders, the top housing nonprofit in Springfield. They learned they could own a home and have a mortgage payment that would be less than the \$1,100 they were paying in rent each month. They met loan officer Ben Cartagena of Citizens’ Bank, who advised them that MHP’s ONE Mortgage could help them realize their

Secure in their home, José, Anne, Roberto and Ambar Duran (l-r) can now put full focus on family, school and careers.



dream, as it has done for over 21,000 low- and moderate-income first-time buyers.

Armed with the knowledge that they could afford it, the Durans made their home search a family affair. Anne set the ground rules, saying all four would have to agree. The unanimous choice was a three-bedroom \$155,000 Cape on a quiet suburban street in Springfield's Six Acres neighborhood. Using their own funds plus local down payment assistance, they put \$7,000 down. Their all-in monthly fixed-rate mortgage payment is \$889 per month.

On the November Sunday when the Duran family told their story, the signs of pride were everywhere. A windy rainstorm had swept through the day before, covering all

the neighborhood lawns with leaves – except for the Durans. Their front yard was green, the grass lying down in complete surrender to the vigorous raking the family had just done. New mums were on the doorstep. Each room was tastefully decorated and freshly painted, a product of uncles, aunts and cousins coming over on weekends to help them renovate the entire house.

Sitting together on the couch in their living room, José and Anne Duran said they were excited about starting their own business selling a line of kitchen products. They looked at their children with pride. Who could blame them? Ambar is a senior at Putnam Vocational-Technical High School, captain of the girls' volleyball team, manager of the boys' team, involved in many other

activities and a top student who is applying to college. Roberto attends charter school and is a talented cello player who is hoping to be selected into a district orchestra that will rehearse and play in New York City this summer. No wonder Ambar Duran insisted that the last question be about the American Dream. So we asked them.

Roberto said it was having an education and doing something he's happy with. José said it's seeing progress, how you are growing and how successful you are. Ambar said it's doing something you love, having a family and owning your own business. Anne summed it all up for the family.

"Being happy together in a house," she said. "That's all we wanted."

MHP

RENTAL FINANCING

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



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EXECUTIVE | LEGAL

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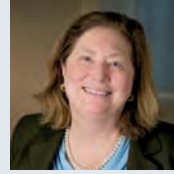
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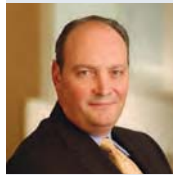
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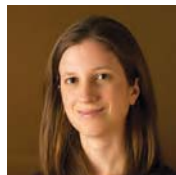
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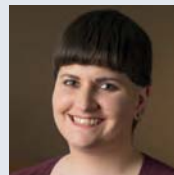
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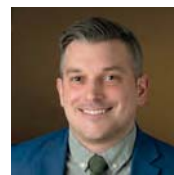
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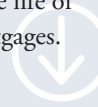
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PORTFOLIO MANAGEMENT

This team manages MHP's loan portfolio for the life of our permanent mortgages.



PUBLIC AFFAIRS

This team deals with all internal and external MHP communication and marketing efforts and houses MHP's Center for Housing Data.



STAFF DIRECTORY

ADMINISTRATION & FINANCE

This team oversees day-to-day business operations and tracks MHP's overall financial performance.



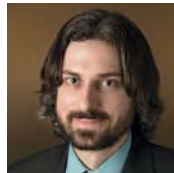
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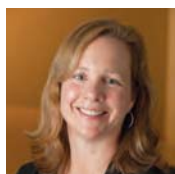
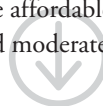
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COMMUNITY ASSISTANCE

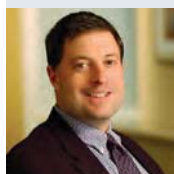
This team supports communities, local housing authorities, and non-profit organizations in their efforts to create affordable housing for low- and moderate-income families.



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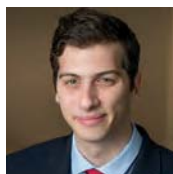
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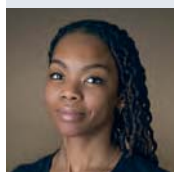
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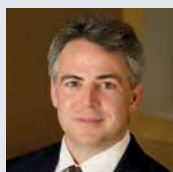
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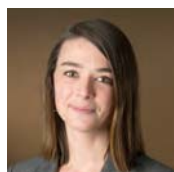
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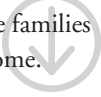
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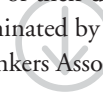
HOMEOWNERSHIP

This team manages the ONE Mortgage Program which, when combined with our previous SoftSecond Mortgage Program, has helped over 21,000 low- and moderate-income families purchase their first home.

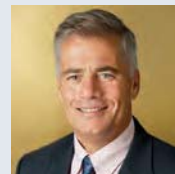


BOARD OF DIRECTORS

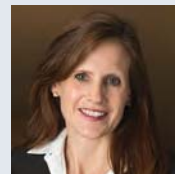
MHP is governed by a seven-member board of directors. Two are appointed by the governor, two are cabinet secretaries or their designees and three are nominated by the Massachusetts Bankers Association.



CHAIR
John Clancy, Jr.
CEO,
Enterprise Bank



VICE CHAIR
Alicia Sasser Modestino
Associate Professor of Public Policy and Urban Affairs and Economics, Northeastern University; Associate Director, Dukakis Center



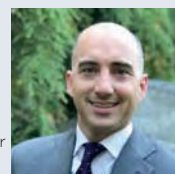
SECRETARY & TREASURER
Denis Sheahan
Chairman & CEO, Cambridge Trust Company and Cambridge Bancorp



MEMBER
Janelle Chan
Undersecretary for Housing and Community Development, Executive Office of Housing and Economic Development



MEMBER
Mark Attia
Senior Director (designee for Secretary Michael J. Heffernan), Executive Office for Administration and Finance



MEMBER
Carolyn Ryan
Senior Vice President, Policy and Research, Greater Boston Chamber of Commerce



MHP 2018 annual report

As of June 30, 2018

HOW MHP IS FUNDED

MHP was created by the Legislature to ensure that credit would remain available for affordable housing and community development in Massachusetts at reasonable rates and terms after consolidation in the financial services industry.

Consistent with MHP's mission, our lending is focused on the Commonwealth's most critical unmet financing needs including production of new affordable and mixed-income housing, support for smaller-scale community-initiated housing development and first-time home ownership for low-income families.

ONE Mortgage loans are originated and held in portfolio by 43 participating Massachusetts banks and credit unions with credit support from MHP. Multifamily loans originated by MHP are funded from multiple capital sources and in significant part by the following banks doing business in the Commonwealth.

LOANS

LOAN AGREEMENTS

Adams Community Bank	\$148,765
Bank of America	549,919,888
Bank of Ireland	2,149,221
BNY Mellon	163,065,654
Berkshire Bank	13,335,068
Cape Cod Five Cents Savings Bank	2,350,000
Cathay Bank	336,393
Citizens Bank of Massachusetts	32,937,599
Coastal Heritage Bank	1,425,450
East Boston Savings Bank	1,156,032
Eastern Bank	9,139,063
Flagship Bank & Trust Company	10,626,950
Great-West Life & Annuity Insurance Co.	3,809,655
Hoosac Bank	895,000
Merchant Bank	1,432,116
Needham Bank	5,000,000
People's United Bank	37,157,324
Randolph Savings Bank	164,000
Rockland Trust Company	8,002,314
Rockville Bank	17,092,200
Salem Five Cents Savings Bank	679,494
Santander Bank	172,306,577
South Shore Bank	2,318,940
Spencer Savings Bank	2,417,393
TD Bank	154,918,389
United Commercial Bank	1,144,089
Webster Bank	23,244,408
Westfield Bank	6,316,101
Weymouth Bank	238,583
TOTAL LOANS	\$1,223,726,666

GRANTS

Andover Bank	\$13,454
BankBoston	10,000,000
Bank of America	18,000,000
Citizens Bank of Massachusetts	2,595,451
Fleet Boston Corporation	12,000,000
Lehman Brothers Bank, FSB	1,050,000
NewAlliance Bank	625,293
State Street Bank & Trust Company	13,343,742
TOTAL GRANTS	\$57,627,940

As of June 30, 2018 *As of June 30, 2017*

STATEMENTS OF NET POSITION

Cash and Investments - unrestricted	\$18,036,618	\$14,513,100
Cash and Investments - board designated	9,920,807	9,189,328
Cash and Investments - restricted	75,432,201	81,822,697
Grant, program and interest receivable	2,912,591	2,555,261
Project Loans, net of reserves	581,356,552	583,596,375
Other Assets	1,280,487	889,495
TOTAL ASSETS	\$688,939,256	\$692,566,256
Accounts payable and accrued expenses	1,876,388	1,439,210
Accrued interest on project loans	1,988,368	1,632,365
Notes payable, project loans	561,131,086	584,698,727
Unearned revenue and other liabilities	47,947,704	35,507,900
Reserves for homeownership mortgage loan losses	16,787,302	15,157,052
TOTAL LIABILITIES	\$629,730,848	\$638,435,254
TOTAL NET POSITION	\$59,208,408	\$54,131,002

STATEMENTS OF REVENUES, EXPENSES & CHANGES IN NET POSITION

Income from direct lending, net of provision for loan losses	\$10,858,983	\$8,532,339
Grants, governmental and other support	4,828,182	5,357,071
Interest on bank deposits and investments	1,068,102	661,920
Other income	1,623,440	1,174,943
TOTAL REVENUES AND SUPPORT	18,378,707	15,726,273
Salaries and fringe benefits	6,596,146	5,808,736
Professional fees and contracted services	467,051	305,967
Community outreach, training and publications	246,648	158,344
Mortgage subsidies, reserves, grants and homebuyer support	4,763,361	5,010,491
Occupancy and equipment	639,154	674,020
Other program and operating costs	588,941	577,915
TOTAL PROGRAM AND OPERATING COSTS	13,301,301	12,535,473
CHANGE IN NET POSITION	\$5,077,406	\$3,190,800

MHP's audited financial statements are available on request.



Massachusetts Housing Partnership

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Design: Fyfe Design

Photography: Greig Cranna

Stories by: Ruston Lodi

Additional photos

Inside cover photo of Gov. Baker and Lt. Gov. Polito, courtesy of the Office of the Governor

Page 2 photo of Susan Connelly, courtesy Metro South Chamber of Commerce

Page 2 photos of MHP Housing Institute participants by Jeff Porter

Page 19 photo of Pat Flaherty, courtesy of the City of Boston

