

ANNUAL
REPORT 2014



Massachusetts
Housing
Investment
Corporation

On the cover you will see Boston's Bruce C. Bolling Municipal Building in the background and the Dudley Square transit station in the foreground (see page 26).



Nurtury Learning Lab, Boston

MISSION STATEMENT

Our mission at MHIC is to be an innovative private financier of affordable housing and community development, providing financing that would not otherwise be available, and extending the impact of that financing to ensure the broadest possible benefit.

In undertaking this mission, MHIC is founded on six core values:

- Private capital from a broad base of investors can prudently finance community development initiatives on an ongoing basis as self-sustaining ventures.
- The benefits of expanding community investment should flow to the minority workers and the minority-owned businesses in those communities.
- Special effort is required to harness private capital for geographic areas, sponsors and projects that have historically been unable to compete effectively for financing.

- The sponsors of community development projects deserve ongoing support in their efforts to build and maintain sustainable communities.
- The system of financing community development, which is overly fragmented and cumbersome, must be streamlined and improved.
- The communities we serve must see MHIC in a leadership position in advancing these values and not as merely another player.

As an institution established by private corporations in collaboration with community leaders, MHIC's mission depends on a partnership among corporate investors, project sponsors, and public agencies. Through it all, MHIC is committed to maintaining its industry leadership, on the cutting edge, inspiring confidence in what can be done. This role places demands on MHIC, but it also forms the very foundation for the neighborhood value we create.

ANNUAL REPORT 2014



Grace Apartments, Providence, Rhode Island

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LETTER FROM THE CHAIRMAN AND PRESIDENT

It is always a pleasure to have this opportunity to showcase projects we financed and completed over the past year. It was truly another outstanding year — a year in which we saw many important high impact projects come to fruition, we invested in new projects that promise to transform lives and neighborhoods, and we launched an exciting new initiative.

Once again, we chose “building healthy communities” as the theme of our annual report because it has been a guiding principle over the past twenty-four years and it continues to be at the core of our mission. As we enter our twenty-fifth year, we can recognize tangible, positive results and see that our financing is, indeed, helping to build healthy communities. We have

now invested a total of more than \$2.2 billion in housing and community development throughout New England.

On the cover of this report you will see the newly completed Bruce C. Bolling Municipal Building where the Boston School Department has recently relocated. Within a block of this new building are eight other projects — housing and commercial — that MHIC has financed over the years. Dudley Square has long been a focus for redevelopment and we are proud to be playing a role in making that vision a reality. Long vacant historic buildings are now occupied, new buildings have been erected, new businesses

are opening, jobs have been created, and the community is thriving.

New Markets Tax Credits financing continues to play a key role in our community development efforts. We were pleased in June to receive another allocation of \$60 million in federal New Markets Tax Credits so that we can continue to find and finance the most deserving projects. MHIC has now received awards in ten of eleven NMTC rounds for a total of \$737 million, and is recognized as a national leader in financing under the New Markets Tax Credit program.

This past year we concluded most of our work under our Neighborhood Stabilization Loan Fund program, created in 2009 to help mitigate the foreclosure crisis. While there is still much work to be done, we are proud to have teamed up with other funding partners to help communities across the state mount campaigns to reclaim their neighborhoods.

We are particularly excited about formally launching the Healthy Neighborhoods Equity Fund (HNEF), in partnership with the Conservation Law Foundation. HNEF will bring a new form of patient capital to Transit Oriented Development neighborhoods to stimulate investments that also help build healthy communities.

Already well into our twenty-fifth year — a milestone to be sure — we are proud of our achievements, mindful of the challenges we continue to face, and grateful to our public and private partners and investors. We know that the key to our success is collaboration, without which the work demonstrated in this report would not be possible. We look forward to another year of working together with all our partners in helping to build healthy communities throughout New England.



Guillaem Aertsen
Chairman



Joseph L. Flatley
President and CEO

THE YEAR IN SUMMARY

MHIC had another strong year in financing high impact projects. In 2014 we focused on preserving affordable housing, on downtown and neighborhood revitalization, and on community facilities. We experienced high activity across all our product lines and had many opportunities to provide creative financing for challenging projects throughout New England. MHIC completed 2014 with a healthy surplus of revenue over expenses, improving our Net Asset position once again.

Total financings under all MHIC programs in 2014 reached \$138.8 million. By program type, we provided \$64.4 million in Low-Income Housing Tax Credit financing, \$43.1 million in New Markets Tax Credit financing, \$29.8 million in loan financing through MHIC, LLC, and \$1.5 million in advances under the Neighborhood Stabilization Loan Fund. Our investments supported 18 new projects, representing 1,098 housing units and 293,175 square feet of commercial space.

It was also another busy year for projects exiting both our Low-Income Housing Tax Credit (LIHTC) and New Market Tax Credit (NMTC) programs, with 11 LIHTC and 11 NMTC project investments exited. Because we anticipate this pace of exits to continue in 2015 and for several years, MHIC's Asset Management and Finance teams have concentrated on implementing the systems needed to ensure the smoothest transition of assets possible in every situation.

In 2014 MHIC concluded most of its work under the Neighborhood Stabilization Loan Fund (NSLF) program, and recently issued a comprehensive report that details how the program was created, how and where the funds were used, and the impact it had and will continue to have as neighborhoods continue to rebuild. This report has been distributed to our partners in this effort, and is available upon request.

MHIC'S NSLF Program was enormously helpful in mitigating the negative effects of the foreclosure crisis, reversing decline, restoring market confidence, stimulating investment, and stabilizing neighborhoods



Construction at the Bruce C. Bolling Municipal Building, Boston.

in weak markets throughout Massachusetts. All told, MHIC provided financing for 866 housing units in 325 buildings located in 12 communities with significant investments in nine communities. In terms of numbers of units produced, the program had the greatest impact in Boston, Springfield and Worcester, but visible improvements were made in all areas. This was made possible by MHIC's direct assistance to 30 nonprofit and for-profit developers, seven court-appointed receivers, two city housing agencies, 57 new homebuyers, and 70 existing homeowners.

While MHIC wrapped up its work under the NSLF program, we rolled out an exciting and important new initiative, the Healthy Neighborhoods Equity Fund (HNEF) in partnership with the Conservation Law Foundation. The idea for HNEF grew out of the belief that walkable, mixed-use, mixed-income neighborhoods near transit are increasingly desirable — and have measurable positive health impacts for those

THE YEAR IN SUMMARY

living there. We closed our first project, Chelsea Flats, under this program in late December. (More about HNEF below and on pages 34–35.)

At the end of its twenty-fourth year, MHIC had, in aggregate, provided just over \$2.21 billion to finance 512 projects, representing the preservation or creation of 19,264 housing units and 4.2 million square feet of commercial space. By program this breaks down to cumulative financing of \$834 million under the LIHTC program, \$681.4 million under the NMTC program, \$622.3 million under the loan program, and \$72.8 million under the NSLF program.

LENDING PROGRAM

Under its Lending program, MHIC had a busy year. We provided \$29.8 million to finance seven projects, representing 475 housing units in New Bedford, Springfield, Amherst, and Middletown, Connecticut.

As you will see detailed in this report, MHIC provided financing for a considerable range of projects — affordable, mixed-income, family housing, and housing for

the elderly and disabled. Acquisition financing helped preserve affordable housing in a 65-unit apartment complex in Middletown, a 204-unit affordable housing development in Amherst, and a 110-unit building in New Bedford. Construction financing renovated properties in the historic Outing Park neighborhood in Springfield.

NEW MARKETS TAX CREDIT PROGRAM

MHIC had another outstanding year of closing projects and completing others under our New Markets Tax Credit program. In June, MHIC received great news when it was selected to receive an allocation of \$60 million from the U.S. Treasury Department's CDFI Fund in the Round 11 national competition. MHIC's award of \$60 million was one of only two regional organizations to receive that size award — and it was the largest award category. MHIC now has received awards in ten of the eleven rounds of national competition for a total of \$737 million in tax credit authority. This new allocation gave us the financial resources to pursue critical projects previously identified in our growing pipeline.

By year end, we provided \$43.1 million in New Markets Tax Credits financing for five projects with 280,760 square feet of commercial space. Our \$43.1 million supported \$84.2 million in total project costs. Investments were made in a wide geographic range across Connecticut, Rhode Island, and Massachusetts. In Rhode Island we closed financing for the construction of a new building for Amos House, a nonprofit that runs the largest soup kitchen in the state and provides job training, career counseling, emergency shelter, and other services while also operating three social enterprise businesses.

Over the past several years, MHIC has financed many projects that give urban children a place to play, learn, exercise, have fun, and a chance to realize their full potential regardless of socioeconomic factors. This past year, MHIC closed financing on a Boys & Girls Club in Pawtucket, Rhode Island. That was our third investment in a Boys & Girls Club, all of which have



Olympia Oaks, Amherst

been outside of Massachusetts, and our ninth NMTC financing of a facility that centers on childhood recreation and social development.

MHIC also helped finance Continuum of Care, a health care center in New Haven, Connecticut. That project will not only expand health care to an underserved population, but it will also help revitalize that part of New Haven because the development physically connects a currently blighted area to the downtown. MHIC now has financed 14 health care facilities — community health centers and specialized care institutions — under the New Markets Tax Credit program.

In Brockton, Mass., in the same downtown neighborhood where MHIC recently helped finance a mixed-income apartment complex and the historic renovation and reuse of the former *Brockton Enterprise* building, we financed construction of a new expansion site for a popular tropical grocery store. Vicente's Market, scheduled to open by the end of 2015, will provide fresh, healthy food to neighborhood residents and sponsor healthy cooking classes through programming with a health center that will occupy an adjoining building. These developments contribute greatly to the revitalization of downtown Brockton, and are part of a larger plan now underway.

2015 will be another busy year of closings and overseeing completion of New Markets projects financed in previous years. While the future of the program remains uncertain, we continue to experience very high demand for New Markets Tax Credit investments in both urban and rural markets from investors and project sponsors alike, and we have a strong pipeline of projects throughout New England.

LOW INCOME HOUSING TAX CREDIT PROGRAM

Once again reflecting the strong demand for tax credits, MHIC had a brisk year of activity under its Low Income Housing Tax Credit program, closing ten investments for a total of \$64.4 million to finance the creation or preservation of 672 housing units.



Construction at Amos House, Providence, Rhode Island

Our investments in 2014 represent a particularly wide range of projects in terms of type and location. We financed multi-site, single-site, multi-family, SRO, housing for elderly and disabled residents, and new housing for formerly homeless veterans.

Two projects we financed involved buildings that are historic schoolhouses that have been reconstructed and now provide homes for elderly and disabled residents. Two of our closings were projects that we had previously helped preserve by providing acquisition financing.

In keeping with our goal to expand our LIHTC financing out-of-state, we closed our first LIHTC transactions in Connecticut and Rhode Island. We funded the rehabilitation of an apartment complex in Middletown, Connecticut, and in Rhode Island we financed the preservation and renovation of an apartment complex for elderly and disabled residents near downtown Providence.



Enterprise Main Building, Brockton

HEALTHY NEIGHBORHOODS EQUITY FUND

A significant achievement for MHIC in 2014 was the launching of our Healthy Neighborhoods Equity Fund (HNEF) in partnership with the Conservation Law Foundation. HNEF is a \$30 million private equity fund for investing in high-impact real estate projects that have the potential to transform neighborhoods, strengthen community and environmental health, and promote regional equity while providing attractive returns to investors.

HNEF is a perfect complement to MHIC's other programs and a natural outgrowth of our mission to extend the impact of our investments to ensure the

broadest possible benefit. It is also based on our belief that community development, properly done, can have a measurable impact on the health of communities. In the interest of building healthy communities, HNEF seeks to invest in transit-oriented, mixed-use, mixed-income projects that will create measurable benefits for residents, the neighborhood, and the broader community.

MHIC closed its first HNEF project in late 2014, an \$894,536 equity investment in Chelsea Flats, a project that involved adaptive reuse of one building and new construction of another to create 96 units of mixed-income housing. The properties are in Chelsea's Box District, an area that has been the target of significant public/private investment. (See pages 34–35 for more about HNEF.)

NEIGHBORHOOD STABILIZATION LOAN FUND

As mentioned above, in 2014 MHIC wound down its work under the NSLF program, an important initiative launched in 2009 to help mitigate the negative impact of the foreclosure crisis. In 2014 ten projects were completed, representing 22 units of housing in Chelsea, Boston, Worcester, Springfield, Brockton, New Bedford and Falmouth. Nine new projects were initiated in western Massachusetts using funds received in 2013 from the Massachusetts Attorney General's Office.

MHIC will continue to finance small-scale development projects where previous investments were made to ensure that those neighborhoods continue to become healthy, vital places for people to live, work and invest. (See pages 32–33 for more about NSLF.)

ASSET MANAGEMENT AND FUND MANAGEMENT

The Asset Management department continues its long term key function to ensure the sustainability of MHIC's investments. Whether monitoring compliance and regulatory performance, inspecting buildings, doing site reviews, assessing financial performance, analyzing reports or managing watch lists, asset managers are, in the end, responsible for ensuring the best possible property and fund performance. With over \$1.2 billion in assets now under management, MHIC has focused on building state-of-the-art systems and procedures to accomplish its goals.

In 2014 MHIC further strengthened its Asset Management structure by promoting two senior asset managers to the position of Deputy Director with assignments to specific lines of business in LIHTC and NMTC.

An increasingly key role for MHIC is ensuring the smooth transition of LIHTC and NMTC assets as they reach the end of their compliance periods. In 2014 MHIC's Asset Management and Finance Departments facilitated MHIC's exit of 11 additional LIHTC properties that had reached the end of the 15-year compliance period for an overall total of 68. In 2013 MHIC began the process of transitioning NMTC properties that had reached the 7-year compliance period. That process accelerated considerably in 2014 with 11 properties exited, for a total of 16. This role of exiting properties, and concluding the business of older LIHTC and NMTC funds, will continue for many years into the future.

Asset Management continued to share its expertise under a lease-up management program under contract with one of our financing partners, providing a valuable service to a partner organization. This collaboration started in 2011 and the scope of work is expected to expand in 2015. We continue to develop new ways to streamline and improve systems for collecting and disbursing information to and from project general partners and investors, and internally to improve the information available to all MHIC staff.

MINORITY PARTICIPATION AND DIVERSITY INITIATIVES

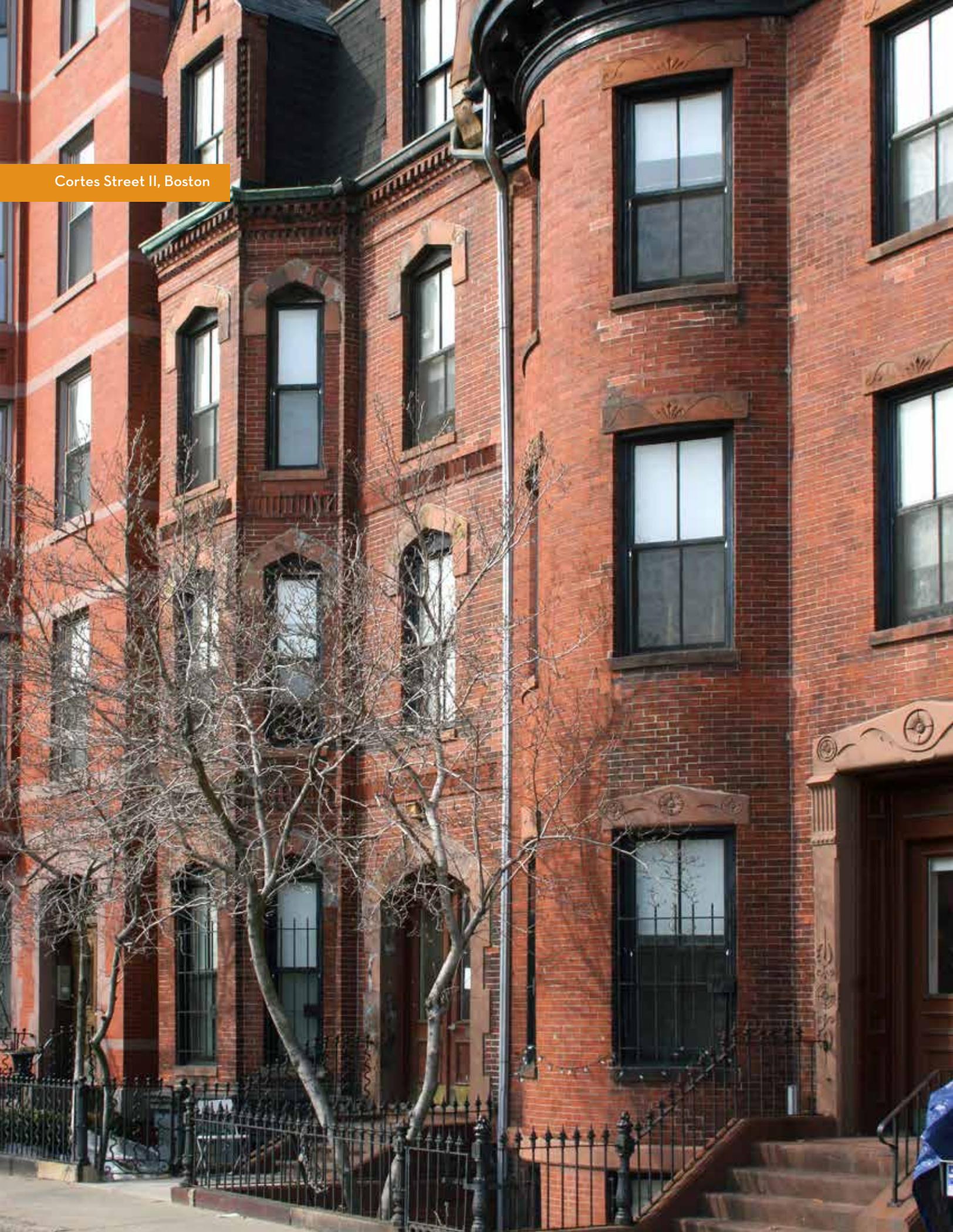
Our commitment to minority business and minority worker participation in our investments is a topic that MHIC continually revisits in an effort to ensure the highest feasible minority participation in all the projects we finance. In 2014 we again set the bar high, while being mindful of the challenges of meeting those goals.

In terms of minority employment, projects in the Boston area saw minority workers getting 48% of the jobs, and those outside of the Boston area achieved 34% minority employment. In the area of minority business utilization, projects in the Boston area saw 23% of the investment go to minority businesses, and outside of the Boston area 12% went to minority-owned businesses. We will continue to work to expand on these results, particularly in terms of minority business participation. To address this issue, in 2015 we plan to expand communications with both developers and general contractors to improve performance in this important measurement of our success. We will also more aggressively reach out to minority businesses for ideas about how their participation might grow.



Brooks House atrium, Brattleboro, Vermont

Cortes Street II, Boston



PROJECT HIGHLIGHTS

Preserving affordable housing and revitalizing neighborhoods



Outing Park II SPRINGFIELD

Located in the Outing Park Historic District in southwest Springfield, Outing Park II is a group of seven buildings with 118 affordable rental apartments that have been redeveloped by First Resource Companies. It is part of a portfolio of 16 buildings totaling 212 units that were acquired and redeveloped with financing provided by MHIC. The construction loan totaled \$21 million; \$12 million provided by MHIC and \$9 million provided by the Property and Casualty Initiative. MHIC had previously provided a \$3.96 million acquisition loan for Outing Park II. For the first phase — Outing Park I — MHIC provided \$15.86 million in acquisition and construction financing. These two Outing Park projects are adjacent to Concord Heights, a group of seven buildings with 104 rental apartments, also acquired and redeveloped by First Resource and financed by MHIC. Redevelopment of these buildings in Outing Park and Concord Heights has preserved and created much-needed affordable housing and has transformed neighborhoods that in recent years had been plagued by crime and disinvestment.



Rolling Green Apartments AMHERST

This mixed-income apartment complex consists of 16 two-story buildings with 204 rental apartments (20% of which are affordable). It was acquired by Beacon Communities Development with \$10 million in financing from MHIC, along with \$10 million in financing from the Property and Casualty Initiative and \$5.7 million from The Life Initiative. Opened in 1971, Rolling Green Apartments was the first development financed by MassHousing. When the old debt was repaid in full in 2013, preservation of this community and its affordable units became a high priority for the Town of Amherst and Beacon Communities.



Verdean Garden Apartments NEW BEDFORD

This is a mixed-income, multi-family rental housing development comprised of eight buildings with 110 units of rental housing. MHIC provided \$2.2 million in acquisition financing to Cruz Development to acquire the property. After rehabilitation, fifty-one percent of the units (56) will be made available to low-income households.

PROJECT HIGHLIGHTS

Preserving affordable housing and revitalizing neighborhoods



Bishop Allen Apartments

CAMBRIDGE

In 2012 MHIC provided a \$1.55 million acquisition loan (in a participation loan led by CEDAC) so that Just-a-Start Corporation could acquire and preserve this 32-unit, expiring-use family rental project in Central Square. The property consists of four buildings, all built in the 1880s. In 2014 MHIC provided a \$3.7 million low-income housing tax credit investment, with an MHIC multi-investor fund and Brookline Bank as the LIHTC investor.



Mandela Apartments

BOSTON

This 276-unit affordable housing complex, located on two non-contiguous properties at the juncture of the South End and Lower Roxbury neighborhoods of Boston, will undergo substantial renovation with MHIC's \$20 million low-income housing tax credit investment. This investment represents the resyndication of Mandela Apartments that MHIC first funded in the late 1990s, and will ensure the long-term preservation of these critical affordable housing units. Beacon Community Services LLC is the developer and Wells Fargo is the LIHTC investor.



Tremont Village

BOSTON

MHIC provided a \$2.3 million low-income housing tax credit investment to the Asian Community Development Corporation (ACDC) for this project involving the acquisition, rehabilitation and preservation of 20 units of affordable rental housing on Tremont Street in Chinatown. The property is owned by the state Department of Housing and Community Development which chose ACDC to renovate, operate and manage the property under a 99-year ground lease.



Salem Point

SALEM

This apartment complex consists of 11 separate buildings with 77 affordable housing units in the Point neighborhood of Salem, a densely populated neighborhood that was ravaged by fire and rebuilt 100 years ago. North Shore Community Development Corporation (NSCDC) acquired the properties in 1991 and transformed them into affordable housing. In 2014 NSCDC used MHIC's low-income housing and historic tax credit equity to renovate the apartments, upgrade the building envelope and improve energy efficiency. Institution for Savings is the LIHTC investor for this project.



Cortes Street II

BOSTON

One freestanding brownstone and three inter-connected brownstones in the Bay Village neighborhood of Boston are undergoing rehabilitation and historic renovation to upgrade a single-room-occupancy facility owned and operated by Caritas Communities, Inc. The rehabilitation, for which MHIC provided a \$3.65 million low-income housing tax credit investment, will reduce the number of units from 48 to 40 in order to provide private baths in all units and increase the square footage of some of the smallest units. The completed project will have 32 studios and eight enhanced SROs. Project Place will be the service provider focusing on job skills and employment.

PROJECT HIGHLIGHTS

Preserving and rehabilitating housing for seniors and disabled residents



Putnam Square Apartments
CAMBRIDGE

This 94-unit apartment building on Mt. Auburn Street, one block from Harvard Square, provides housing for the elderly and disabled. It was built by Harvard College in 1974, and acquired by Homeowner's Rehab, Inc. (HRI) in 2012 with a \$2 million acquisition loan from MHIC that was a participation loan led by CEDAC. HRI is committed to preserving the complex as affordable. In 2014 MHIC provided a \$7.5 million low-income housing tax credit investment to finance moderate renovations.



Grace Apartments
PROVIDENCE, RHODE ISLAND

Developed in 1978 as a HUD 202 development, this 101-unit property in downtown Providence was acquired by Preservation of Affordable Housing (POAH) to ensure the long-term affordability of the housing and the continuation of services provided for its residents, all of whom are low-income seniors. In 2014 POAH substantially renovated the apartment complex, enhancing the lives of residents and the surrounding community. MHIC provided a \$4.1 million low-income housing tax credit investment for POAH's acquisition and renovation of Grace Apartments. This project was MHIC's first housing tax credit investment in Rhode Island with Citizens Bank as the LIHTC investor.



Sitkowski School Apartments

WEBSTER

Neighborhood of Affordable Housing (NOAH) recently completed this 66-unit affordable rental housing project and community center for seniors, located in a former school adjacent to Town Hall. MHIC provided \$9.4 million in low-income housing and historic tax credit financing for this project. The Town of Webster selected NOAH five years ago to “reinvent” the long-vacant historic school into much-needed affordable housing for seniors. The project is a key part of the Town’s ongoing redevelopment of downtown Webster, a plan which includes a new police station, a proposed library, Main Street infrastructure improvements, a park adjacent to the nearby French River, expansion of municipal parking, and other private sector investments. A 9,330 square-foot community center includes amenities such as a large, multi-purpose kitchen, an exercise room, a reading room, art space, a health office, and a salon.



Old Middletown High School Apartments

MIDDLETOWN, CONNECTICUT

This 65-unit affordable apartment complex provides homes for the elderly and disabled. It is part of a National Historic District and the property is listed individually on the National Historic Register. MHIC provided a \$3 million acquisition loan and \$4.33 million in low-income housing tax credit financing to enable Preservation of Affordable Housing (POAH) to acquire and substantially rehabilitate the property and preserve its long-term affordability. POAH also secured a 20-year renewal of the Section 8 rental subsidy contract to cover all 65 of the property’s apartments. POAH considered the Old Middletown High School property one of the Connecticut’s most “at-risk” sites because of its location and historic significance. TD Bank is the LIHTC investor for this project.

PROJECT HIGHLIGHTS

Creating new affordable housing for families and veterans



Casa di Anna (108 Newbury Street)

LAWRENCE

In 2014 Lawrence CommunityWorks completed this new four-story, 18-unit affordable family rental complex. The project was built on a vacant lot in Lawrence's North Common neighborhood and includes community space on the ground floor. MHIC provided \$3.3 million in low-income housing tax credit financing for the project in 2013.



Olympia Oaks

AMHERST

Also completed in 2014 were HAP, Inc.'s 42 new units of affordable rental housing in 11 buildings on land purchased from the Town of Amherst. A community building was also constructed and more than one half of the land will be preserved as public open space with a nature trail. This project is about 1.5 miles from downtown Amherst and the University of Massachusetts. MHIC's \$8.4 million low-income housing tax credit financing was provided in 2013.



Pilot Grove

STOW

The Stow Community Housing Corporation completed construction of 30 new units of affordable rental family housing in five buildings in this semi-rural community in 2014. In 2013 MHIC provided a \$6.1 million low-income housing tax credit investment for this project, with TD Bank as the investor.

PROJECT HIGHLIGHTS

Creating new affordable housing for families and veterans



Craftsman Village

HINGHAM

In 2014 Sotir Papihillo and Mark O'Hagan completed construction of this 40B development consisting of six market and two affordable detached condominiums built on a 3.09-acre site. MHIC provided a \$2.4 million construction loan for the project in 2013.



Welcome Home Apartments (Haverhill Veterans Housing)

HAVERHILL

Twenty-seven units of new affordable housing for veterans and their families are being built in three buildings on two vacant lots and an underutilized parking lot. This project, for which MHIC provided a \$2.5 million low-income housing tax credit investment, is being developed by Coalition for a Better Acre (CBA), working with the Veterans Northeast Outreach Center (VNOC). Residents in these buildings will have easy access to the many services offered at the VNOC, located near-by, including job readiness training, community meals and health and wellness classes.

Old Middletown Apartments, Middletown, CT



SPOTLIGHT:

Jackson Commons

BOSTON

Bringing a lost, blighted Boston community back to life

In the first half of the twentieth century, Jackson Square had shops and factories and housing and was a closely-knit community that adjoined Roxbury and Jamaica Plain. That came to an end 50 years ago when an ill-fated highway expansion plan resulted in bulldozing much of the neighborhood. Homes and businesses were razed, leaving much of the land vacant.

In the mid-1990s, a consortium of community groups, including Urban Edge Housing Corporation (UE), the Jamaica Plain NDC and the Hyde Square Task Force initiated the Jackson Square Redevelopment Initiative (JSRI). Together they embarked on a process that ten years later resulted in a \$250 million redevelopment plan for new housing, retail and community space to replace the blight and bring the community back to life.

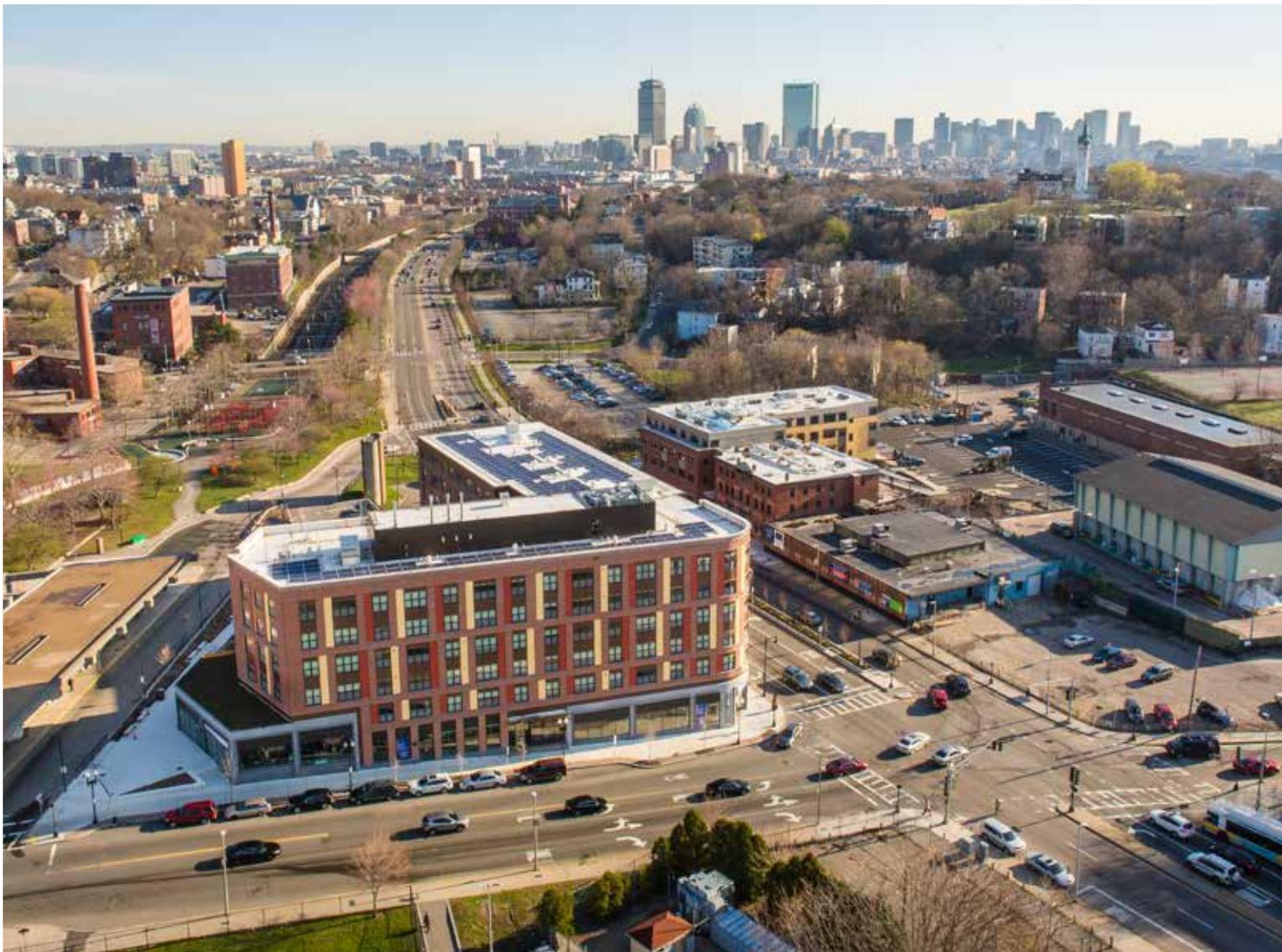
MHIC helped launch JSRI. In 2002 MHIC's \$3.6 million loan enabled UE to acquire the strategically-located 100-year-old Webb factory building. In 2006 MHIC led a consortium of five lenders in a \$1.5 million predevelopment loan to Jackson Square Partners, formed by UE and others, to lay the groundwork for JSRI.

Jackson Commons, recently completed by UE, is an integral part of the JSRI. The project consists of both affordable housing and commercial space. The Webb building rehabilitation, financed with the help of a \$3.4 million bridge loan and \$9.4 million New Market Tax Credit allocation from MHIC in 2013, contains 10,618 square feet of commercial space for UE's offices and programs, and will include a Neighborhood Learning Center, a café and eight rental units affordable to moderate-income families.



A new 4-story addition to the historic Webb building created 29 affordable rental apartments financed in part with a \$6.8 million low-income housing tax credit investment from MHIC in 2013. In both financings, Citizens Bank provided construction and permanent financing, and is both the LIHTC and NMTC investor.

Jackson Commons is across the street from the Jackson Square MBTA station and 225 Center Street — a mixed-use project — also financed by MHIC with LIHTC and New Markets Tax Credits in 2012. With 103 units of housing and 16,200 square feet of commercial/retail space on the ground floor, 225 Centre Street was the first phase of the Jackson Square redevelopment plan. It was completed in 2013.



SPOTLIGHT:

Nurtury Learning Lab

BOSTON

Enhancing opportunities for education and accelerated early learning

The Nurtury Learning Lab, located at the Boston Housing Authority's Bromley-Heath public housing development in Jamaica Plain, celebrated its Grand Opening in June 2014. The new \$17.1 million center hosts a community-based lab school for nearly 200 infants, toddlers, and preschoolers. It was developed and is operated by Nurtury, formerly known as Associated Early Care and Education. Nurtury gives the youngest children in need, from birth to age five, the opportunity to reach their full potential by investing in school readiness, promoting healthy development, and strengthening families.

The new facility has large colorful, sun-splashed rooms where children can learn and play and develop the skills they need for healthy living. Nurtury previously was located in the basement of a nearby building that had served neigh-

borhood preschoolers since 1956. The new building enabled Nurtury to expand its capacity by 45% and move from cramped quarters to a 22,330-square-foot state-of-the-art building with 14,000 square feet of modern, safe, outdoor learning and play areas.

In its new facility, Nurtury now has the space to provide many additional programs, and to partner with numerous local social service, health care, and educational institutions that provide educational and job training programs for all public housing residents and others in the near-by community.

MHIC's \$7.96 million in New Markets Tax Credit financing was provided in 2013. Bank of America Merrill Lynch was a co-CDE and is the New Markets Tax Credit investor.





SPOTLIGHT:

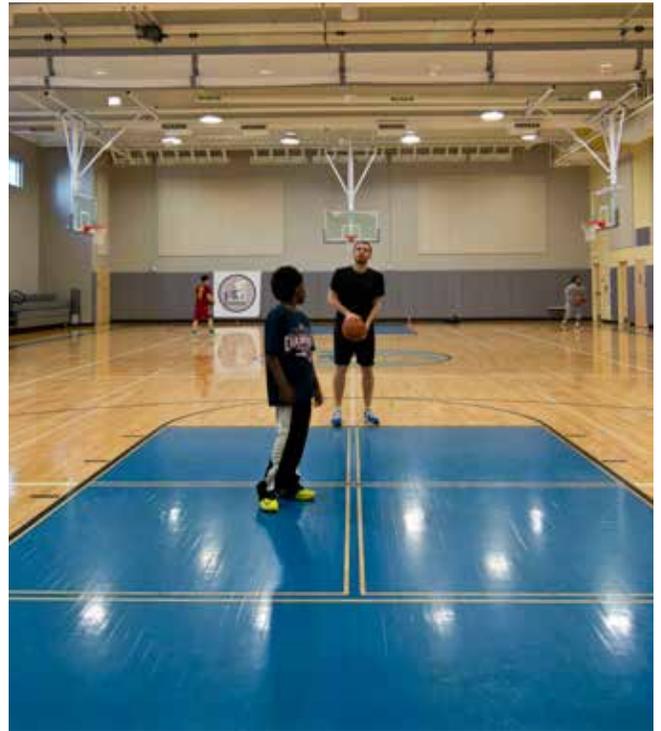
RTH Community Center

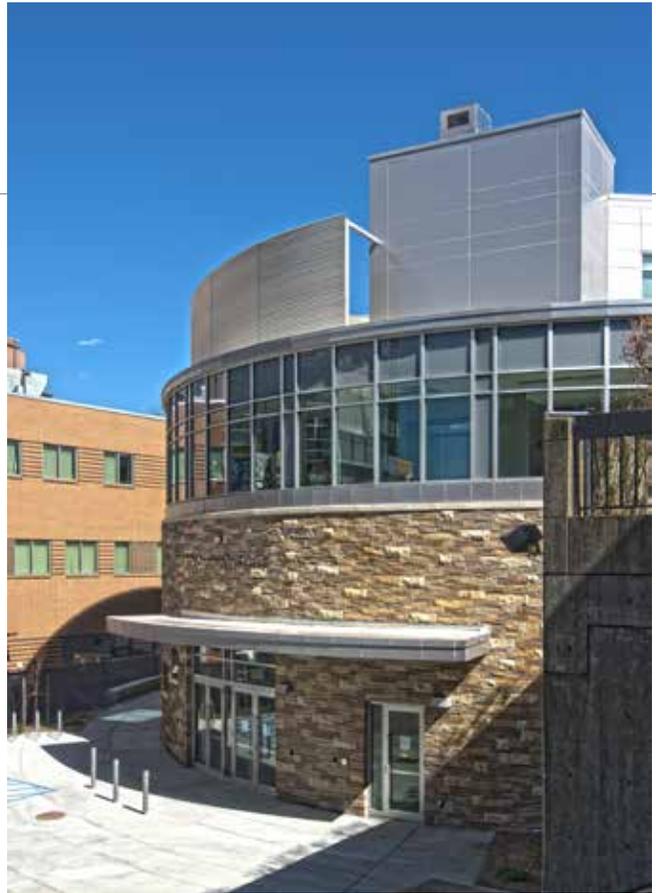
BOSTON

Giving low-income children a place to play, learn, and thrive

The Roxbury Tenants of Harvard, Inc. (RTH) held an official Grand Opening ceremony in October 2014 to celebrate completion of its 28,000-square-foot community/recreational center. In this neighborhood — the Mission Park neighborhood of Boston — RTH operates a thriving community of 2,000 residents who occupy affordable housing in five contiguous apartment complexes. For those residents, RTH also provides a wide range of programs, but until this new facility was built, there was very little space for youth and afterschool programs.

MHIC's \$6.1 million New Markets Tax Credit financing, provided in 2013, helped RTH build this new facility with a gym, wellness facilities, a teaching kitchen emphasizing healthy cooking, classrooms and other spaces for educational and social service programs. This project represents the culmination of a 15-year long effort by the RTH Board and would not have been possible without “gap” financing that NMTCs provided. U.S. Bancorp Community Development Corporation is the New Markets Tax Credit investor.





PROJECT HIGHLIGHTS

Giving low-income children a place to play, learn, and thrive



Bristol Boys & Girls Club BRISTOL, CONNECTICUT

MHIC's \$9.7 million New Markets Tax Credit investment, provided in 2013, was used to build this new, state-of-the-art club and field house for the Bristol Boys & Girls Club Association and Family Center (BBGC&FC). As the largest youth agency in Bristol, and one of the largest city-based youth service agencies in Connecticut, the BBGC&FC provides daily services and award-winning programs during the school year for 500-1,000 children, many of whom are underprivileged and impoverished. It has been in the forefront of youth development in this area, but its growth had been constrained by small quarters and a 90-year-old building. In its new facility, the BBGC&FC has been able to consolidate operations, expand programming, and add such features as an Education and Technology Center, Science, Arts and Crafts Center, Vocational Kitchen, and Community Classrooms. The project was completed in late 2014. Webster Bank is the New Markets Tax Credit investor.



Boys & Girls Club Pawtucket PAWTUCKET, RHODE ISLAND

Founded in 1900, the Boys & Girls Club of Pawtucket (BGCP) now has a membership of more than 4,000 children and is Pawtucket's second most active child development agency. It is located on a 20-acre wooded, riverfront property and primarily serves populations with disadvantaged backgrounds, i.e., children who live in poverty, struggle to meet their basic daily needs, have barriers to academic success, and are at high risk of dropping out of school. For those children, the Club provides an array of programs and services including educational support, tutoring, career counseling, mentoring, computer training, arts, athletics, childcare and meals. In recent years, the Club's lack of space dramatically restricted its ability to serve current members, let alone meet growing demand.

MHIC provided a \$6.8 million New Markets Tax Credit investment to help fund the renovation of the existing Clubhouse and the addition of a new 18,000-square-foot teen center and gym. The Club now has the capacity to double average daily attendance from 250 to 500 youth, extend hours, give each age group access to the full range of programming, and enhance programs. It now has dedicated space for education and technology classes, studios for visual and performing arts, new program rooms, a wellness center, expanded pool area, and a separate gym just for teens. Approximately 100 jobs were created during construction and the Club expects to add 12 part-time employees as it expands its programming and services.

The BGCP project, which was completed in late 2014, represents MHIC's third investment in Boys & Girls Clubs in New England. Citizens Bank is the New Markets Tax Credit investor.

PROJECT HIGHLIGHTS

Revitalizing historic buildings and downtowns



Worcester Telegram & Gazette WORCESTER

This \$40 million project, located in the center of downtown Worcester, involved the acquisition, gut renovation, and adaptive reuse of five interconnected mid-rise buildings with 135,000 square feet of space.

The *Worcester Telegram & Gazette* operated out of this building until 2008. Then, the newspaper began to downsize, leaving significant portions of the building vacant or underutilized.

In November 2011 the Worcester Business Development Corporation (WBDC) bought the building from the New York Times Company so that it could revitalize this key property within Worcester's Central Business District. The anchor tenant is Quinsigamond Community College which relocated its Healthcare and Workforce Development Training here from the outskirts of the city. Other users include a private digital solutions provider that relocated from a suburb, the Technology & Idea Exchange (business) Incubator, an anticipated 300-seat theater, and a ground-floor café. The project is part of a larger revitalization plan for downtown Worcester envisioned by the city and the WBDC. MHIC provided \$15.9 million in New Markets Tax Credit financing as one of four CDEs. U.S. Bancorp Community Development Corporation is the New Markets and federal historic tax credit investor.



Enterprise Building (Enterprise Main) BROCKTON

This project involved the complete historic renovation of four of an original six-building complex that the *Brockton Enterprise* newspaper occupied until 2008. The work involved part demolition and part gut rehabilitation, and partial conversion of the buildings into a 55,000 square-foot property with space for four commercial and retail tenants. Two state agencies — the Department of Transitional Assistance and the Department of Developmental Services — will occupy 29,000 square feet of the office space. The building is now called “Enterprise Main.”

Trinity Financial, Inc. took on this ambitious project — the first phase of the company's multi-phase redevelopment of Brockton's central business district. The result will transform a largely vacant city block into a mixed-use, mixed-income community with 215 units of housing, 10,000 square feet of retail and artist exhibition space, 52,000 square feet of commercial space and 544 parking spaces.

This project and the overall redevelopment, which is part of the City's master plan, will stimulate the local economy by creating jobs (construction jobs and new jobs created by new businesses or business expansion), provide social services, housing, and new retail opportunities for area residents, expand the city's tax base, and bring economic activity back to Brockton.

In 2013 MHIC provided \$5.1 million in New Markets Tax Credit financing as one of three CDEs; the building was completed at the end of 2014. Bank of America Merrill Lynch is a co-CDE and the New Markets Tax Credit investor

Also in this report, see Vicente's Tropical Market, Brockton, page 29.

SPOTLIGHT:

Bruce C. Bolling Municipal Building

BOSTON

Advancing Boston's vision for neighborhood renewal

The stunning, historic renovation of the once famous Ferdinand's Furniture store in Dudley Square, vacant for 20 years, was recently completed and held its official ribbon cutting ceremony in April 2015. Now home to the administrative headquarters of Boston's School Department, with over 500 employees, this building is buzzing with energy and the spirit of collaboration — collaboration of employees within the building and enthusiasm among the private and public partners who made this project possible.

This redevelopment has a long history and has to be seen in the context of the City's and lenders' vision for the revitalization of Dudley Square as a commercial hub of a Boston neighborhood that has suffered from disinvestment.

For two decades the City, in partnership with the Commonwealth, had attempted to advance their plan with a major development project at its center. Several plans failed to move forward due to financial challenges. In 2011, the City finally looked to partner with private capital through the use of the New Markets Tax Credit program. It was the first time the City has used the NMTC program and the financing structure was complex.

The Bruce C. Bolling Municipal Center is a six-story facility with approximately 206,000 square feet of space including street-level retail and community space. The architects were careful to preserve the original historic Ferdinand's Furniture Building and two other historic structures within the city block, creating an iconic mixed-use building adjacent to the Dudley Square bus station. Proximity to public transportation was important because it will encourage a broader cross section of Boston residents to participate in, and benefit from, the City's educational and community programs that will be relocated to the Center. MHIC has historically played a key role in financing development projects in Dudley Square and the surrounding neighborhoods and has financed more than two dozen housing and commercial projects in this community. MHIC's first NMTC investment in 2004 was near-by Hibernian Hall, a landmark building vacant for 20 years that is now a vibrant social and cultural center.

MHIC provided \$15 million in New Markets Tax Credit financing (in 2012) with three other co-CDEs. Bank of America Merrill Lynch is one of the co-CDEs and is the New Markets Tax Credit investor.





PROJECT HIGHLIGHTS

Increasing access to health care, healthy foods, and healthy downtowns



Community Health & Wellness Center TORRINGTON, CONNECTICUT

Community Health & Wellness Center (CHWC) is a Federally-Qualified Health Center providing comprehensive primary medical, dental and behavioral health services to a rural, medically underserved part of northwestern Connecticut. With patient visits increasing by 160% since 2009, the Center had vastly outgrown its space. MHIC's \$10.5 million New Markets Tax Credit investment, provided in 2013, was used to help CHWC build a 27,700 square-foot addition to its existing facility, renovate its existing building, and purchase medical, dental, office and computer equipment. The building was completed in 2014. Now CHWC can expand its capacity by 80%, obtain credentials for a diabetes center, operate a pharmacy, and add new full-time employees. Wells Fargo Community Lending and Investment is the New Markets Tax Credit investor.



Continuum of Care NEW HAVEN, CONNECTICUT

This project involves new construction of a 30,000 square-foot building that will be the new headquarters of Continuum's homeware operations and administration function that is expected to jump-start the redevelopment of a highly distressed New Haven neighborhood.

Continuum of Care is a nonprofit that has been providing housing and residential support services to low-income persons with psychiatric and developmental disabilities since 1966. With approximately 650 employees, it operates mental health programs and programs in 14 separate locations, serving more than 1,200 clients each year. Over the past ten years, Continuum has seen a 700% increase in the number of persons served. Consequently, Continuum has a great need for additional space.

The new building, now under construction, is located on the edge of downtown New Haven on a 5.4-acre stretch of property that was going to be a part of an expressway back in 1959. The City has considered this incomplete, blighted area to be an impediment to its downtown revitalization. In its new building, Continuum will be able to consolidate and expand its services and develop ancillary services such as vocational training and health and fitness programs. The organization expects to increase its number of employees by 46% over the next three to four years. Construction of the building is creating an estimated 250 jobs.

Subsequent phases will include hotel space and a parking garage and will link this otherwise isolated stretch to downtown and other economic anchors such as Yale New Haven Hospital.

MHIC provided a \$2.4 million New Markets Tax Credit investment as one of four CDEs for the project. Capitol One is a co-CDE and is the New Markets Tax Credit investor.



Vicente's Tropical Grocery

BROCKTON

Vicente's Tropical Grocery — a full-service grocery store focusing on Cape Verdean tastes that has been a Brockton staple for 20 years — is building a new 33,400-square-foot store that will be the second Vicente's market in the area and will transform a five-acre former supermarket site that had been vacant for 20 years. The new facility will bring healthy food choices to a Brockton neighborhood that is designated a “food desert” under federal guidelines.

Also being developed on this property is a facility to be run by the Brockton Neighborhood Health Center (BNHC), a nonprofit community health center with headquarters nearby. Vicente's and the BNHC plan to engage in joint programming and collaboration for healthy eating and nutrition, with a test kitchen and cooking classes within Vicente's new store.

This project is a key part of the revitalization of downtown Brockton which is also seeing several other key developments taking place. Those include the redevelopment of the former *Brockton Enterprise* building (also financed by MHIC with New Markets Tax Credits, p. 25)

MHIC provided \$10.5 million in New Markets financing as one of two CDEs. Chase Community Equity LLC is a co-CDE and is the New Markets Tax Credit investor.



Brooks House

BRATTLEBORO, VERMONT

Brooks House was built as a luxury hotel in 1871. After the hotel closed, the building — the largest commercial structure in downtown Brattleboro — was turned into apartments and storefronts. After a fire ravaged the building in 2011, it was sold to a team of civic leaders, Mesabi, LLC, who then redeveloped the building into retail and office space and 23 rental apartments (five of which are affordable). Completed in October 2014, the building hosts campuses from the Community College of Vermont and Vermont Technical College, in addition to retail establishments and an anchor restaurant on the first floor. This combination of uses is providing a major economic boost to downtown Brattleboro. MHIC provided \$10.9 million in New Markets Tax Credit investment in 2013 as one of two CDEs. U.S. Bancorp Community Development Corporation is the New Markets and federal historic tax credit investor.

PROJECT HIGHLIGHTS

Providing housing, social services, and new opportunities through job training



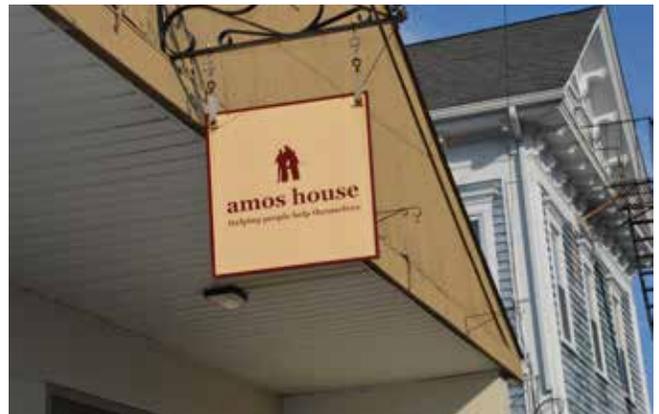
Amos House

PROVIDENCE, RHODE ISLAND

Since 1976, Amos House has provided direct support for persons in Rhode Island who are hungry, homeless and in crisis. The nonprofit operates the largest soup kitchen in the state; provides transitional and permanent supportive housing for 175 persons a night; runs culinary arts, carpentry, financial literacy, and literacy training programs; and provides a wide array of social services. Amos House also operates a social enterprise division consisting of three businesses: "More Than A Meal," a full-service catering business including event catering; Bristol Harbor Mixes, a new enterprise that sells pre-packaged cookie mixes to local supermarket chains and the U. S. Navy; and Amos House Builds, a home renovation and repair business that also provides energy audits and weatherization.

Each year, Amos House assists more than 15,000 people. But with demand for its services and training increasing, they felt an acute need for expanded and improved space.

MHIC's \$7.51 million New Markets Tax Credit investment is helping Amos House build a new four-story, 29,000-square-foot facility that will be home to a new soup kitchen with larger dining hall, classrooms, community rooms, training centers and consolidated staff offices. In its new location, Amos House will be able to seat 20% more people at each meal and be able to serve more clients in a spacious Social Service Center. The full basement will serve as a workspace for its growing carpentry-training program, and for storage of equipment used by its More Than a Meal business.



With additional training space, Amos House will be able to accept at least 50% more students into the carpentry and culinary training programs, giving its graduates the skills they need to gain employment. Space currently used for training will be converted to additional housing for Amos House's 90-day Women's Program. With staff relocated in the new building, the building currently housing Social Services and Development offices will be converted to apartment-style supportive housing for families.

Completion of Amos House's new building is expected in late 2015. Bank of America Merrill Lynch is the New Markets Tax Credit investor.



Bruce C. Bolling Municipal Building, Boston

PROJECT HIGHLIGHTS

Neighborhood Stabilization Loan Fund

Meeting the challenge of bringing Massachusetts neighborhoods back to life

The Neighborhood Stabilization Loan Fund, formed in 2009, wound down most of its activity by early 2014. All but a few remaining construction projects had been completed and occupied, and all of the funds allocated to homeowner rehab and homebuyer assistance had been expended. The only significant new activity undertaken in 2014 was the initiation of nine new projects in western Massachusetts through MHIC's Western Massachusetts Abandoned Housing Initiative Receivership Fund which

received \$500,000 from the Massachusetts Attorney General's Office (AGO) in 2013. This included five projects in Springfield, two in Turner Falls and one each in Pittsfield and Southwick.

MHIC has issued a final report (available upon request) chronicling the NSLF's activity from 2009-2014. Although the NSLF has ceased to exist as a discrete program, MHIC will continue to finance similar small scale development projects that remain critical to the development of strong neighborhoods. This continuing work includes 16 new projects approved in 2014 and early 2015 in Boston, New Bedford, Brockton, Chelsea, Worcester and Turners Falls. Significantly, ten of these projects involved abandoned properties that had been placed into receivership by local courts and code enforcement officials with support from the Massachusetts AGO. The expanded use of Massachusetts' Receivership statute to promote safer and healthier neighborhoods has been one of the key outcomes of MHIC's Neighborhood Stabilization Loan Program.



3 Hathaway Street

WORCESTER

Main South CDC purchased this vacant and foreclosed three-unit building in 2013. Renovations began in 2014 and the property will be sold to a homebuyer in 2015. MHIC provided \$204,000 of NSP funds to this project.



389 Cottage Street

NEW BEDFORD

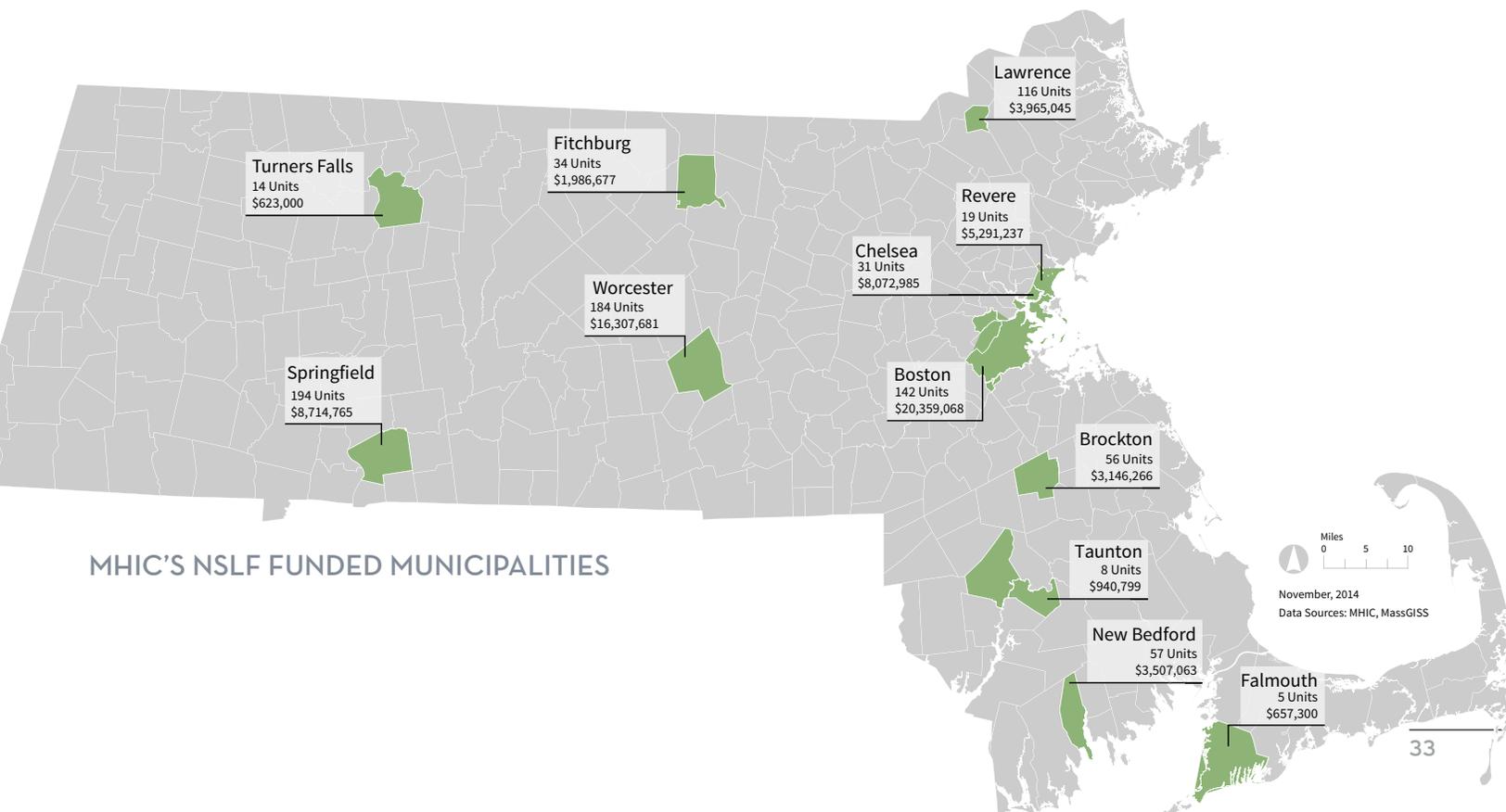
The Resource, Inc. was appointed receiver of this dilapidated single-family property in 2014. Renovations will be completed in 2015 and the property will be sold to a homebuyer. MHIC provided an NSLF loan of \$63,000.



55 Library Street and 158 Shawmut Street
CHELSEA

The Neighborhood Developers acquired these two vacant tax-foreclosed properties from the City of Chelsea. In 2014, the three-decker at 55 Library Street was restored, while at

158 Shawmut Street two run-down buildings were demolished and replaced with a new four-unit structure. MHIC provided an NSLF loan of \$835,000.

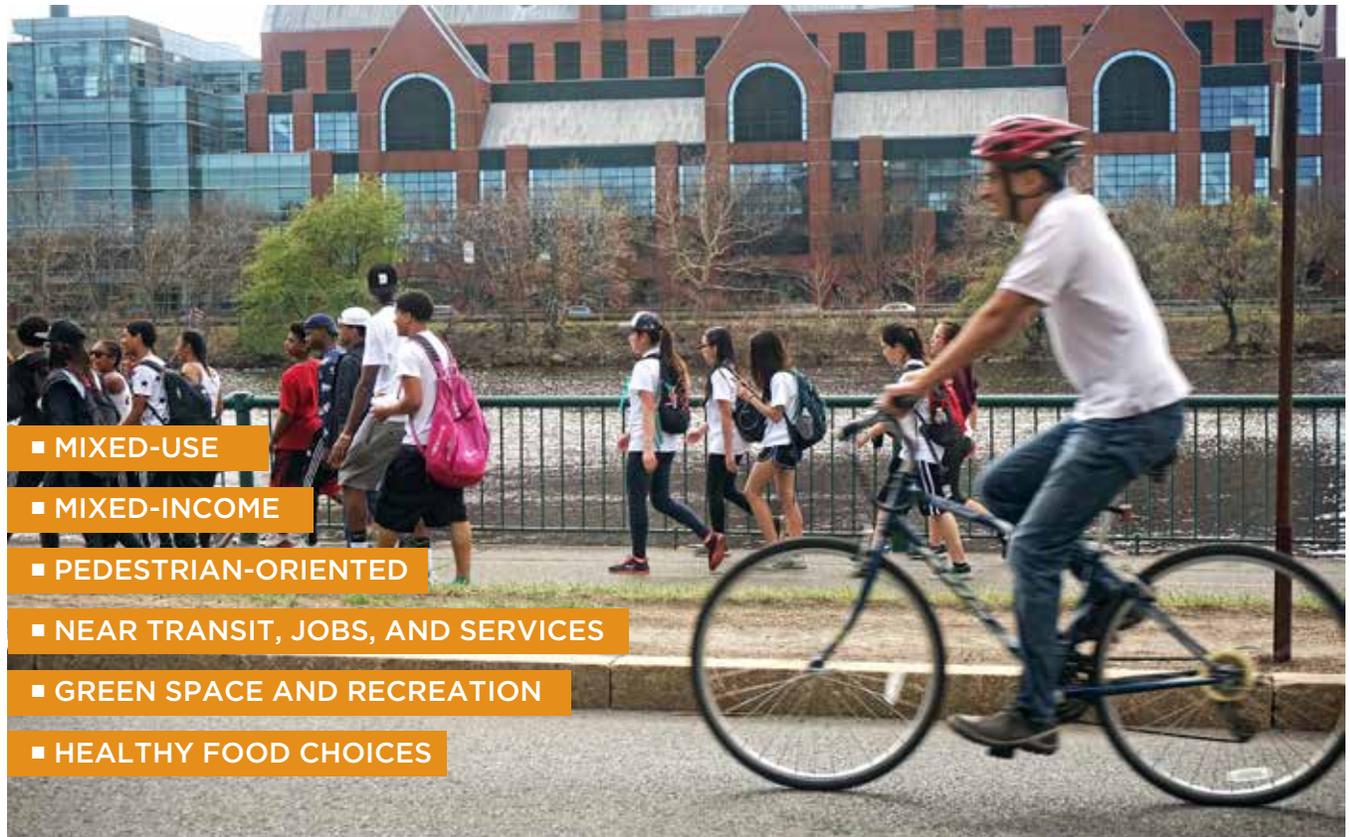


SPOTLIGHT:

Healthy Neighborhoods Equity Fund

HNEF: Investing in the building blocks of healthy communities in Massachusetts

HNEF MISSION: HEALTHY NEIGHBORHOODS



The Healthy Neighborhoods Equity Fund (HNEF) is a major new initiative launched in 2014 by MHIC, in partnership with the Conservation Law Foundation (CLF).

HNEF will make transformative investments in mixed-use, mixed-income neighborhoods near transit. The idea for HNEF grew out of the understanding that neighborhoods matter in terms of health outcomes. Growing income inequality and income segregation has exacerbated the impacts of poverty – for example, in Boston, the number of residents living in neighborhoods with concentrated poverty has increased by nearly one third since 1990.

In response to this community development dynamic, MHIC partnered with CLF to establish HNEF, a \$30 million fund that will provide patient capital for transformative, mixed use, mixed-income real estate projects located near transit in Massachusetts.

HNEF will invest in neighborhoods that are in the early stages of transformational change, and where an investment from HNEF can help catalyze and accelerate that change. It will prioritize projects that create measurable benefits for residents and workers, the neighborhood, the environment, and the broader community. HNEF will invest in projects that implement a community vision, leverage investments already made by other sources, and provide an attractive return to investors.



So far HNEF has secured \$6 million in subordinate capital commitments for the Fund: \$2 million in public funds, and \$2 million each from the Kresge Foundation and from the Robert Wood Johnson Foundation. With a growing investment pipeline under review, MHIC is actively raising Class A investor commitments.

The Fund's first project, Chelsea Flats, closed into the Fund in late December 2014 with an \$894,536 equity



investment. This project, developed by Mitchell Properties, consists of two buildings with a total of 96 mixed-income housing units directly adjacent to a future Silver Line stop in Chelsea. It involved the adaptive reuse of a portion of a historic industrial building, combined with new modular construction on an underutilized site. The project is in Chelsea's Box District — a neighborhood that has been undergoing transformation with new housing and commercial development supported with public, nonprofit and private investment.

The development of Chelsea Flats served to further the community vision, which was for a mixed-use, mixed-income neighborhood with quality housing, easy access to public transportation, good jobs, and ample green space. The district is walking distance to downtown Chelsea and a 15-minute commute to downtown Boston. Immediately adjacent to Chelsea Flats is Atlas Lofts, a mixed-use housing project, also developed by Mitchell Properties with MHIC financing.

MHIC is excited about HNEF and its partnership with CLF, and expects to utilize the Fund to close a number of high impact developments in the coming years.

THE RESOURCE, INC.



Theresa Malone, Executive Director

The Resource, Inc. (TRI) and Theresa Malone were honored this year for the new capacity TRI brought to neighborhood stabilization, housing rehabilitation and receivership efforts in New Bedford and Brockton.

Based in Southeastern Massachusetts, TRI has a strong history of doing small-scale property renovation on Cape Cod and the Islands. Working closely with MHIC using funding under the NSLF program, the nonprofit applied their skills to rehabilitating distressed properties in New Bedford and Brockton. Their concentrated strategy and collaborative work resulted in significant improvements to rental and homeownership properties and helped attract people back to the neighborhoods.

Pictured above is TRI's team, l-r: Jill O'Neil, Project Administrator; Kathy Fee, Fiscal Director; Michael Galasso, Project Development Manager; Theresa Malone, Executive Director.

NURTURY LEARNING LAB



Wayne Ysaguirre, President and Chief Executive Officer

MHIC was pleased to

honor Nurtury's Learning Lab and Wayne Ysaguirre for demonstrating that innovative environments and the highest quality programs for children and families can thrive in public housing.

The Nurtury Learning Lab, featured on pages 20–21, is the newest of six early care and learning centers operated by Nurtury in Greater Boston. The facility opened in May 2014 and has become a dynamic educational facility for young children and a focal point for community education and involvement in the Jackson Square neighborhood.

Nurtury operates on the premise that early nurturing, learning experiences, and physical health from birth to age five greatly impact a child's chance at success in society. Through its programming, Nurtury seeks to address the core needs of low-income children and combat the root causes of poverty. It provides programs that develop childrens' social/emotional, physical, cognitive, and language skills, as well as ones that support special needs. Nurtury also provides adult education, health and wellness, community cooking and nutrition, and many other programs for families and community residents.

AMY ANTHONY



President and Chief Executive Officer of Preservation of Affordable Housing

It was a privilege this year to honor Amy Anthony for her leadership and courage, for taking on the toughest challenges, and for using her intelligence and persistence to achieve extraordinary results.

Recognized as one of the nation's foremost experts in affordable housing finance and policy, Amy has been active in the industry for over 30 years. In her early career, she served as Secretary of the Massachusetts Executive Office of Communities and Development, where she oversaw the creation and implementation of innovative, award-winning programs. Amy has also played an active role in the development of national housing policy, including service on the National Housing Task Force.

Since 2001 Amy has served as president and CEO of POAH, where she has helped provide homes for those in need and revitalize urban communities, overcoming limited resources and misconceptions about affordable housing along the way. POAH owns and operates over 8,600 affordable homes at more than 70 properties in nine states and the District of Columbia. In 2011 she was inducted into the *Affordable Housing Finance* magazine's Affordable Housing Hall of Fame.

PROJECTS FINANCED IN 2014

PROJECT	UNITS	LOAN	HOUSING TAX CREDITS	NEW MARKETS	NSLF	TOTAL
Amos House, Providence, RI				\$7,510,000		\$7,510,000
Bishop Allen Apartments, Cambridge			\$3,673,758			3,673,758
Boys & Girls Club of Pawtucket, RI				6,809,400		6,809,400
Chelsea Flats, Chelsea ¹	96	\$894,536				894,536
Continuum of Care, New Haven, CT				2,425,000		2,425,000
Cortes Street II, Boston	40		3,659,925			3,659,925
Fitchburg Commons, Fitchburg		900,000				900,000
Grace Apartments, Providence, RI	101		4,063,488			4,063,488
HAC Line of Credit, Hyannis		350,000				350,000
Mandela Preservation LLC, Boston	276		20,014,281			20,014,281
NSLF Chelsea Neighborhood Developers LLC, Chelsea, Revere	7				\$835,000	835,000
NSLF CRC Trust, Boston	2				90,000	90,000
NSLF Main South CDC, Worcester	3				165,000	165,000
NSLF The Resource Inc., Falmouth, New Bedford	4				371,000	371,000
Nuestra Line of Credit, Boston		500,000				500,000
Old Middletown High School Apartments, Middletown, CT	65	2,975,000	4,335,516			7,310,516
Outing Park Apartments II, Springfield		12,000,000				12,000,000
Putnam Square Apartments, Cambridge			7,497,757			7,497,757
Rolling Green Apartments, Amherst	204	10,000,000				10,000,000
Salem Point Apartments, Salem	77		6,962,000			6,962,000
Sitkowski School Apartments, Webster	66		9,368,963			9,368,963
Tremont Village, Boston	20		2,323,955			2,323,955
Verdean Garden Apartments, New Bedford	110	2,200,000				2,200,000
Vicente's Tropical Grocery, Brockton				10,476,000		10,476,000
Welcome Home Apartments, Haverhill	27		2,494,551			2,494,551
Worcester Telegram, Worcester				15,908,000		15,908,000
TOTAL:	1,098	\$29,819,536	\$64,394,194	\$43,128,400	\$1,461,000	\$138,803,130

¹ Chelsea Flats is the first investment in the Healthy Neighborhoods Equity Fund I LP (HNEF) initiative discussed elsewhere in this report. Refer to HNEF under Assets Under Management on p. 40.

PARTICIPATING ORGANIZATIONS 2014

MHIC's 38 member corporations have collectively committed more than \$1.23 billion to finance the development of affordable housing and community development. The status of these commitments, as of December 31, 2014, is displayed below.

MEMBER CORPORATION	LOAN	HOUSING TAX CREDITS	NEW MARKETS	TOTAL
Bank of America Merrill Lynch	\$12,750,000	\$210,029,260	\$ 15,998,144	\$ 238,777,404
TD Bank	1,750,000	141,849,467	41,709,896	185,309,363
State Street	4,850,000	154,813,278	14,000,000	173,663,278
Freddie Mac		99,730,000		99,730,000
Citizens Bank	4,000,000	70,239,029	14,357,908	88,596,937
Fannie Mae		77,255,600		77,255,600
U.S. Bancorp CDC			75,309,784	75,309,784
Eastern Bank	950,000	23,761,975	5,000,000	29,711,975
Wells Fargo		21,263,404	3,495,960	24,759,364
Institution for Savings		24,039,331		24,039,331
AEGON USA Realty Advisors, Inc.			24,000,000	24,000,000
Transcapital			20,000,000	20,000,000
People's United Bank	300,000	17,076,992		17,376,992
Brookline Bank		17,086,424		17,086,424
Cambridge Savings Bank		15,792,744		15,792,744
BNY Mellon		15,535,600		15,535,600
Citibank			15,000,000	15,000,000
WICOR America Inc.			15,000,000	15,000,000
Boston Private Bank & Trust	300,000	9,150,000	1,500,000	10,950,000
Berkshire Bank		2,000,000	8,000,000	10,000,000
East West Bank		7,000,000	2,500,000	9,500,000
PNC Bank	1,500,000	6,358,900		7,858,900
United Bank		5,000,000	2,785,478	7,785,478
Peoples Bank		2,420,000	3,785,478	6,205,478
Chase Community Equity LLC			4,981,752	4,981,752
Rockland Trust Company		3,701,094		3,701,094
Webster Community Development Corporation			3,247,675	3,247,675
Avidia Bank		3,089,205		3,089,205
Santander Bank	375,000	2,440,000		2,815,000
Cathay Bank		2,100,000		2,100,000
Cambridge Trust Company	1,000,000			1,000,000
Radius Bank	1,000,000			1,000,000
Blue Hills Bank	350,000	500,000		850,000
Enterprise Bank & Trust Company		813,715		813,715
Middlesex Savings Bank		813,714		813,714
BankFive		568,000		568,000
Stoneham Bank	250,000			250,000
The Life Initiative	250,000			250,000
Total	\$29,625,000	\$934,427,731	\$270,672,074	\$1,234,724,805

BALANCE SHEETS

Assets	DECEMBER 31, 2014	DECEMBER 31, 2013
Cash	\$16,067,827	\$10,339,796
Investments in marketable securities	1,151,785	1,320,253
Grant income receivable		526,936
Notes receivable	3,081,949	12,586,941
Amounts receivable and other assets	3,641,590	5,653,419
Total assets	<u>\$23,943,151</u>	<u>\$30,427,345</u>
Liabilities and net assets		
Unearned fees	\$3,061,483	\$3,465,287
Notes payable and other liabilities	3,135,777	12,396,559
Net assets	17,745,891	14,565,499
Total liabilities and net assets	<u>\$23,943,151</u>	<u>\$30,427,345</u>

STATEMENTS OF ACTIVITIES

Revenues		
Loan program revenue	\$625,613	\$1,070,972
Equity program revenue	6,256,078	5,096,801
New markets program revenue	3,481,730	4,082,863
Other program revenue	421,562	490,879
Grant income	1,638,940	5,214,051
Total revenue	<u>12,423,923</u>	<u>15,955,566</u>
Expenditures		
Salaries and benefits	6,176,131	5,899,547
Professional services	1,143,557	1,242,191
Other expenditures	1,103,974	1,185,927
Grant expenses	819,869	4,247,343
Total expenditures	<u>9,243,531</u>	<u>12,575,008</u>
Change in net assets	3,180,392	3,380,558
Net assets at beginning of year	<u>14,565,499</u>	<u>11,184,941</u>
Net assets at end of year	<u>\$17,745,891</u>	<u>\$14,565,499</u>

These are unaudited financial statements. Certain amounts in this presentation have been recharacterized for presentation purposes. Audited financial statements are available on MHIC's web site — www.mhic.com.

FINANCIAL SUMMARY 2014

ASSETS UNDER MANAGEMENT

as of December 31, 2014

BY FUND	HOUSING TAX CREDITS	NEW MARKETS	LOANS	NSLF	TOTAL
U.S. Bancorp CDC		\$208,933,604			\$ 208,933,604
481 Corporation	\$ 64,996,163	43,769,741			108,765,904
Bank of America Merrill Lynch		35,573,598			35,573,598
Wells Fargo	20,014,281	10,476,000			30,490,281
Citizens Bank	10,870,086	16,169,900			27,039,986
Institution for Savings	21,312,126				21,312,126
Chase Community Equity LLC		19,691,000			19,691,000
Brookline Bank	15,125,649				15,125,649
WICOR America Inc.		14,550,000			14,550,000
Cambridge Savings Bank	13,959,077				13,959,077
Brooks House Investment Fund, LLC		10,872,790			10,872,790
Webster Community Development Corp.		9,700,000			9,700,000
Avidia Bank	2,719,445				2,719,445
Capital One		2,425,000			2,425,000
Enterprise Bank And Trust Company	716,068				716,068
Middlesex Savings Bank	716,068				716,068
MHIC, LLC			\$29,948,632		29,948,632
MHEF 1996 LP	4,641,299				4,641,299
MHEF 1997 LP	5,400,287				5,400,287
MHEF 1998 LP	10,196,418				10,196,418
MHEF 1999 LP	26,118,827				26,118,827
MHEF 2000 LLC	40,360,899				40,360,899
MHEF 2001 LLC	41,828,970				41,828,970
MHEF 2002 LLC	44,923,546				44,923,546
MHEF X LLC	39,756,806				39,756,806
MHEF XI	17,460,010				17,460,010
MHEF XII	19,277,550				19,277,550
MHEF XIII	40,289,269				40,289,269
MHEF XIV	22,487,320				22,487,320
MHEF XVI	10,951,180				10,951,180
MHEF XVII	18,133,868				18,133,868
MHEF XVIII	24,874,239				24,874,239
MHEF XVIII – Rockland MHEF Fund	3,218,452				3,218,452
MHEF XIX	38,777,632				38,777,632
MHEF XX	38,689,629				38,689,629
MHEF XXI	15,545,510				15,545,510
MHIC New Markets Fund I		350,000			350,000
MHIC New Markets Fund II		53,606,793			53,606,793
MHIC New Markets Fund III		97,798,794			97,798,794
MHIC New Markets Fund IV		21,916,192			21,916,192
MHIC New Markets Western Massachusetts Fund LLC		17,993,500			17,993,500
HNEF ¹			894,536		894,536
NSLF				\$ 2,870,131	2,870,131
NSP-1				9,988,809	9,988,809
NSP-2				17,887,504	17,887,504
Total	\$613,360,674	\$563,826,912	\$30,843,168	\$30,746,444	\$1,238,777,198

BY LOCATION	HOUSING TAX CREDITS	NEW MARKETS	LOANS	NSLF	TOTAL
Greater Boston	\$288,907,804	\$221,527,365	\$ 4,437,325	\$10,680,099	\$ 525,552,594
Remainder of Massachusetts	316,053,866	227,699,058	24,924,527	20,066,344	588,743,796
Vermont		49,420,139			49,420,139
New Hampshire		4,331,814			4,331,814
Connecticut	4,335,516	41,801,465	1,481,315		47,618,296
Rhode Island	4,063,488	19,047,071			23,110,559
Total	\$613,360,674	\$563,826,912	\$30,843,168	\$30,746,444	\$1,238,777,198

BY DEVELOPMENT TYPE	HOUSING TAX CREDITS	NEW MARKETS	LOANS	NSLF	TOTAL
Rental Housing (not senior/SRO)	\$558,507,294	\$23,440,066	\$25,527,521		\$607,474,881
Rental Housing for Seniors	38,363,999				38,363,999
Rental Housing SRO	9,408,861				9,408,861
Ownership			272,970		272,970
Assisted Living	7,080,520	19,236,496	810,029		27,127,045
Commercial (including non-profit)		521,150,350	4,232,648		525,382,999
Foreclosure Stabilization Initiative				\$30,746,444	30,746,444
Total	\$613,360,674	\$563,826,912	\$30,843,168	\$30,746,444	\$1,238,777,198

¹ HNEF is the new Healthy Neighborhoods Equity Fund I LP initiative discussed elsewhere in this report (see focus spread on pp. 34–35 and The Year in Summary on p. 6). While included under Loans in the tables in this year’s report, HNEF will be broken out separately into a distinct product category beginning with the 2015 annual report.



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