



Massachusetts
Housing
Investment
Corporation

ANNUAL REPORT 2018

Breaking Ground and Building Community

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 value MHIC creates.





Front cover and above: Groundbreaking for a new 70,000-square-foot building for the Lynn YMCA. MHIC provided \$4.85 million in New Markets Tax Credit financing in late 2017 and the project broke ground in 2018.

Left: Blanchard School, Uxbridge

Back cover: Worker at Melnea Residences on the corner of Melnea Cass Boulevard and Washington Street, Boston

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LETTER FROM THE CHAIRMAN AND PRESIDENT



We have been writing this letter now for nearly three decades, reviewing our performance and progress in the context of the overall environment, its challenges and its opportunities. Looking back at some older reports reminds us of the capricious nature of the marketplace, its ups and downs, changes in public policy and the availability of resources, among other factors affecting our work. One year we noted a

potential “overhaul of federal housing policy.” Another time we talked about “stagnation of capital markets” and in yet another year we noted that “operating in a strong economy has posed a real challenge.”

2018 was notable because it was the first time in three decades that we were dealing with the aftermath of major tax reform.

Against that backdrop and the many challenges facing lower income communities, MHIC adjusted and continued to move forward. As always, we pursued projects in communities where they are needed most and where they will have the greatest impact. We stayed focused yet we remained flexible. We stood ready to adapt.

At the beginning of the year there was a palpable sense of caution. Investors and developers alike were somewhat tentative because of the ambiguity about what tax reform was going to mean for them. But when the effects of the reforms became clearer, the community development industry gained confidence and the market again became robust.

Throughout 2018, even in the earlier part of the year, MHIC demonstrated its characteristic ability to identify investment opportunities in and to channel capital to where we can contribute to our goal of building healthier communities. We were able to deliver needed capital through our traditional programs, while

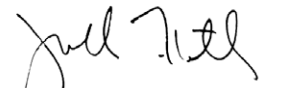
we continued to develop and offer creative ways to finance community development — with new initiatives that you will read about in the following pages.

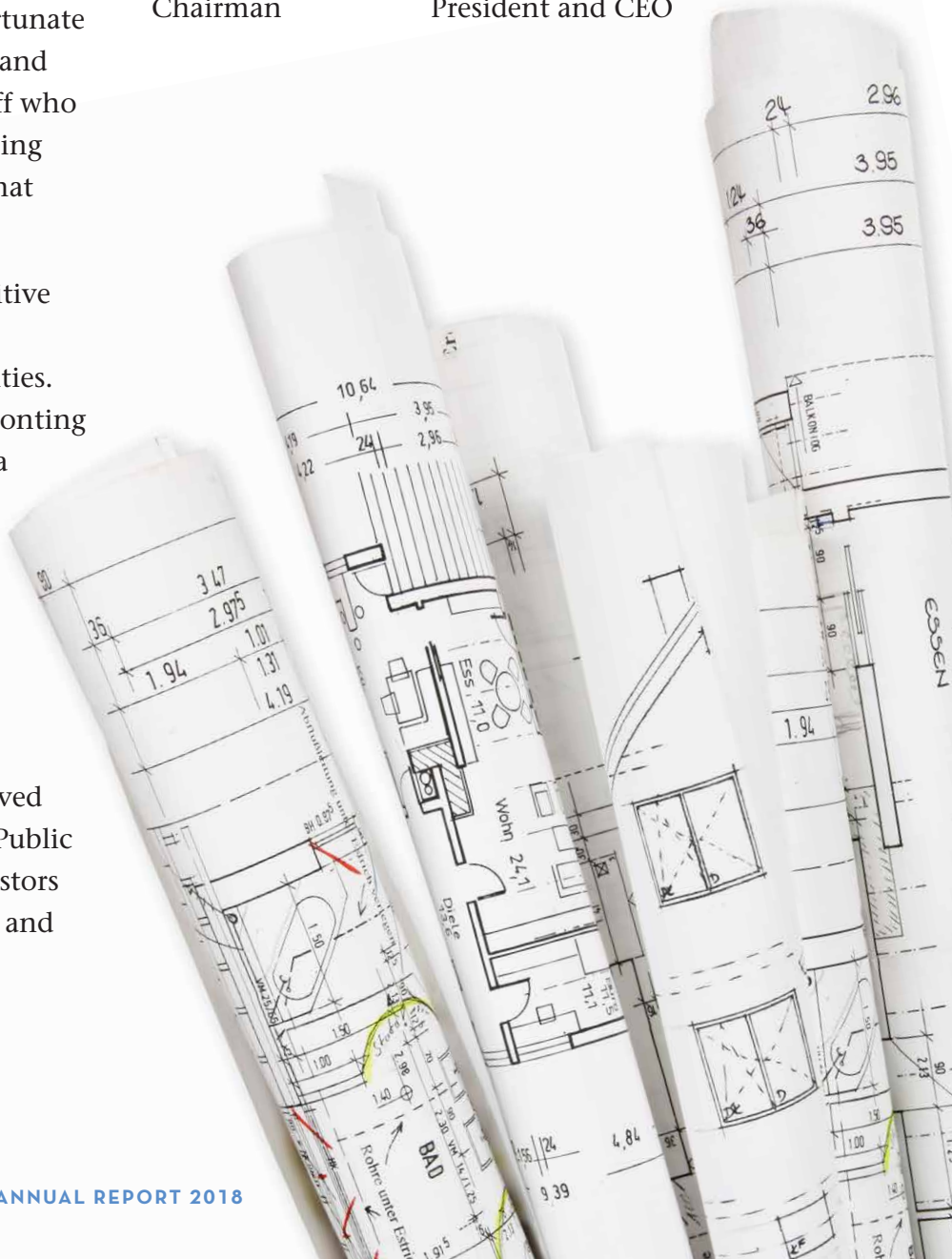
MHIC was indeed fortunate when early in the year we received another New Markets Tax Credit allocation of \$65 million providing us the financial capacity to move forward on financing several high impact projects which we had previously identified. We are fortunate as well to have a strong, engaged board and committees and highly-experienced staff who understand and can manage the increasing complexity of many of the financings that we pursue.

Over the past year we observed one positive trend, i.e., cross-industry collaboration focused on building healthier communities. Clearly, the need to address issues confronting low-income communities will demand a new approach with more cross-sector partnering. The good news is that we're seeing a lot of that happening. Hospitals, and others in the broader health care industry, know that community health will only get better if the social determinants of health are addressed, and so they are getting involved in community development strategies. Public entities are partnering with private investors and developers in increasingly complex and creative ways.

So, as we review our achievements in this report, we should be mindful of the fact that what makes MHIC's successes possible are our committed partners and our collaborative approach. To all of you we are very grateful for your continued support.


Guillaem Aertsen
Chairman


Joseph L. Flatley
President and CEO





Residence INN BY MARRIOTT

Marriott Residence Inn, near Dudley Square

SUMMARY OF ACHIEVEMENTS

By all measures, 2018 was a strong and productive year for MHIC, with brisk activity and solid performance under all our financing programs. We also introduced several innovative new initiatives that will expand our offerings to further our mission of financing healthy communities.

In a market characterized as uniquely challenging — the uncertainties of tax reform at the start of the year, increasing competition, higher interest rates, increased costs of labor and construction materials — MHIC did what it does best. We moved quickly to adapt, remained flexible, paid meticulous attention to the financing needs of project developers, and devised new approaches to finance the development of healthy and sustainable communities throughout New England.

Here are some of the highlights for 2018, with details to follow:

- We financed 24 developments for a total of \$169.2 million.
- MHIC financed the creation or preservation of 986 housing units and creation of 587,144 square feet of commercial space in communities throughout New England.
- In February we received a \$65 million New Markets Tax Credit allocation in Round 14, bringing our total NMTC allocations to \$872 million. At year end, we had deployed \$837.6 million of that allocation to finance 96 projects which are creating jobs and expanding services to low-income communities.
- With the closing of our seventh Healthy Neighborhoods Equity Fund investment, we had deployed \$19.4 million of HNEF I's \$22.35 million. With that progress, we are preparing to launch HNEF II in the second half of 2019.
- We closed our 24th LIHTC equity fund with ten investors at \$47 million and introduced our 25th Fund at the end of the year.



Ribbon Cutting at PACE in Revere

- We now have over \$1.2 billion of assets under management. All of our portfolios performed well in 2018.
- Since our founding, MHIC has provided financing of \$2.8 billion. Broken down by program this equals \$718.4 million under our Loan program, \$1.1 billion under our LIHTC program, \$837.6 under our NMTC program and \$19.4 million under our HNEF program. That represents the financing of 595 projects that preserved or created 23,105 housing units and supported 5.7 million square feet of commercial and community space.

SUMMARY OF ACHIEVEMENTS



Construction at Swift Factory, Hartford, Connecticut

In 2018 MHIC expanded or launched several innovative new initiatives:

- **Capital Magnet Fund Affordable Housing Fund** — The CMF Affordable Housing Fund, capitalized in part with a Capital Magnet Fund grant from the CDFI Fund in 2016, closed five new investments for a total of seven CMF closings to date. Three more projects have been approved and are ready to close in early 2019.

- **Neighborhood Commerce Fund** — In September, MHIC was awarded a CDFI Financial Assistance Grant which we are using to capitalize our new Neighborhood Commerce Fund, a \$5 million program that will offer an integrated group of financing for commercial space to support small businesses. We made our first loan under this new program to Urban Guild (page 22), a nonprofit dedicated to health and wellness.
- **Healthy Retail and Commerce Fund** — MHIC and the Conservation Law Foundation have initiated a Healthy Retail and Commerce Fund, a financing program designed to unlock investment by hospitals and health systems in healthy commerce projects. The Fund aims to promote healthy retail and commerce in low- and moderate-income communities in order to improve community health..
- **Minority Contractor Financing program** — We have just made our first loan under a pilot program to finance receivables for small- and medium-sized minority-owned businesses (MBEs) to address their unmet financing needs and lack of capital, a problem that can make it difficult for those companies to compete with larger firms. This program is one way in which MHIC can give a boost to smaller MBEs and allow them to compete with larger companies for construction jobs.

LENDING PROGRAM

In 2018 MHIC's Loan program had a solid year in a strongly competitive market. We provided 11 loans for a total of \$25.8 million to finance an impressive array of projects throughout Massachusetts and in Hartford (CT). One of our most notable loans was for the historic renovation of a long vacant school in Leominster, the Carter School (page 14). MHIC's \$6.8 million construction loan, along with MHIC's \$9.2 million LIHTC financing is helping the sponsor redevelop the school into affordable rental housing and, at the same time, preserve a cherished local piece of history.

Our loans in 2018 ranged in size from \$50,000 to \$6.8 million to finance projects in Leominster, Somerville, Boston, Bedford, and Hartford. Five loans were made under MHIC's CMF Affordable Housing Fund. The loan to Urban Guild in Boston (page 22) was the first loan made under MHIC's new Neighborhood Commerce Fund. Two loans were made to New Markets Tax Credit projects.

We began 2019 with several projects already approved and in the pipeline and we anticipate a busy year.

LOW INCOME HOUSING TAX CREDIT PROGRAM

In the early part of 2018, the LIHTC market was quiet as investors pondered the impact of tax reform. It was truly a strategy of "wait and see." Once understood, prices stabilized and the market gained momentum and became robust with strong demand in the last two-thirds of 2018 (and into 2019).

MHIC's LIHTC program had a very strong year, with a total of \$79.4 million in financings for ten developments supporting new construction or preservation of 862 units of affordable housing. Our equity investments ranged in size from \$4.5 million to \$13.6 million for developments in Haverhill, Worcester, Cambridge, Bedford, Chicopee, Springfield, Boston and Westfield. One of our equity financings, 98 Essex Street, is in Haverhill, near 87 Washington Street another project MHIC financed through HNEF. Both investments are being used to develop vacant historic buildings in the heart of Haverhill. At Concord Highlands in Cambridge we are financing new construction of a six-story building that will provide 98 affordable rental apartments — the largest new affordable housing community to be built in Cambridge in over 40 years.

As 2019 moves forward, we are witnessing some new trends. Particularly in Greater Boston, which has very strong investor demand for LIHTC investments, we are seeing more aggressive competition and larger transactions, but fewer deals. Post tax reform, investors are more selectively targeting investments,



Children at Crispus Attucks Children's Center, Boston

particularly investments where debt opportunities are also available. The value of LIHTCs has dropped, interest rates have increased, and construction costs are rising. This is a nationwide problem. Despite these challenges, it appears that 2019 will be another strong year for MHIC's LIHTC program.

NEW MARKETS TAX CREDIT PROGRAM

The NMTC marketplace was not as affected by tax reform as other programs were in 2018. Investors remained keenly interested and the demand for such financing among developers considerably outweighed the supply of tax credits available. MHIC's receipt of a \$65 million allocation in February 2018 produced a very successful year for our NMTC program. We financed nine projects representing 548,044 square feet of commercial space with \$62.6 million in New Markets financing.

SUMMARY OF ACHIEVEMENTS

Our New Markets projects were as impressive in their variety and end-use as they were in geographic location. Projects financed include expansion of a charter school that provides inclusive classrooms for children from diverse social-economic backgrounds and differing learning abilities, a social enterprise business that employs people with high barriers to employment in Chelsea, a YMCA serving low-income families in Burlington, Vermont, a state-of-the-art housing center in Springfield, and the transformation of a vacant historic factory building into a business center in Hartford, Connecticut.

Having deployed much of our Round 13 and 14 allocations, we expect the Round 15 New Markets awards to be announced prior to the release of this report. More importantly, we encourage everyone in the community development industry to reach out to their elected officials to support the permanent extension of this critical program.



Grand Opening at Highland Glen, Westwood, financed by MHIC in 2017 and completed in December 2018

HEALTHY NEIGHBORHOODS EQUITY FUND

2018 was literally a year of construction in which we saw our HNEF investments coming out of the ground. As you will read in the projects section of this report, five HNEF developments — Treadmark, Landing 53, Holmes Beverly, Melnea Residences and 87 Washington were completed or under construction in 2018.

HNEF's seventh project investment, 87 Washington Street in Haverhill, began construction in September. That investment brings HNEF's total investment to \$19.4 million. We expect to bring the last two HNEF I projects for approval by the middle of 2019.

HNEF's seven project investments have leveraged an additional \$131 million of private and public investment in low-and moderate-income neighborhoods, and upon completion they will have created 552 new units of housing and 137,588 square feet of commercial space.

HNEF was created to invest in high-impact, mixed-use, mixed-income projects with demonstrated potential to positively transform neighborhoods, strengthen community and environmental health, and promote regional equity. With completion of our initial investments we can now see real impact in the context of their communities and can begin to measure the positive results. We expect to launch our next fund, HNEF II, later in 2019.

CMF AFFORDABLE HOUSING FUND

MHIC considerably expanded its Capital Magnet Fund (CMF) Affordable Housing Fund (CMFAHF) with production of \$5.6 million in 2018 and \$4.1 million in commitments expected to close in early 2019.

The CMF is a competitive grant program administered by the CDFI Fund to support affordable housing and economic development efforts that benefit low-income people. CMF awards must be used to attract private financing for and increase investment in low-income housing. MHIC received a \$1.8 million

CMF award in 2016 and conceived a new fund to deliver CMF loan products for eligible projects. To date, we have closed ten project loans: two in 2017, five in 2018, and three thus far in 2019. In aggregate the \$20.3 million of CMF financing has supported the creation or preservation of 541 units of affordable housing. The types of financing we have provided or are preparing to provide through this fund are lines of credit, predevelopment, acquisition, construction, bridge and term loans.

HEALTHY RETAIL AND COMMERCE FUND

An important initiative begun in 2018 involved working with a national foundation to pilot the Healthy Retail and Commerce Fund, a financing program that incentivizes community investments by hospitals in healthy commerce. Under the program, MHIC will deploy capital from the foundation and local hospitals to provide low-interest loans to finance eligible commercial projects. We are excited about this new financing tool and will have much more to say in next year's report.

ASSET MANAGEMENT

Assets under management stood at \$1.2 billion at year-end. With continued oversight by staff, all portfolios continued to perform well.

Post tax reform, the Asset Management department in 2018 sorted through the many provisions of the Tax Cuts and Jobs Act and provided tax guidance to sponsors of LIHTC projects on the impacts and changes imposed. Asset Management collaborated with LIHTC accounting firms, DHCD, sponsors, partners and others to review the new provisions under the tax code and develop policies to utilize the new provisions while considering each stakeholder's perspective. This has been a challenging effort for the industry.

As in the past several years, the Asset Management department spent considerable time unwinding and



Speaker at Lynn YMCA Groundbreaking

exiting both LIHTC and NMTC properties. Exiting the finance structure of properties is time-consuming and complicated, requiring patience and coordination with all stakeholders involved. MHIC's Asset Management department works with project sponsors — long before the end of the compliance period — to devise strategies and plans to smoothly unwind transactions. This work involves developing legal, financial, and tax strategies for mitigating issues impeding the exits, providing guidance on securing additional financing if necessary, and overall planning to maximize the long-term value of the property as well as the success of the sponsor.

In 2018 we completed the exit of six LIHTC properties for a total of 109 to date, and six NMTC properties, for a total of 53 to date.

SUMMARY OF ACHIEVEMENTS

EQUITY AND INCLUSION INITIATIVES

2018 was an exciting and successful year for MHIC in terms of expanding participation for workers of color and minority-owned businesses. We also developed an important new initiative for MBE contractor financing which we launched in 2019. This new pilot program — the Minority Contractor Financing program — is for receivable financing for small- and medium-sized MBEs to help them address their unmet financing needs and lack of capital, a problem that makes it hard for those companies to compete with larger companies. We hope to expand this product to a broader market.

In 2018 MHIC joined the Greater Boston of Commerce's Pacesetters Initiative and continued to use The Access and Opportunity Network as a host for one of the region's most robust MBE databases. We also signed a Memorandum of Understanding with the Massachusetts Minority Contractors Association to send their members

bid opportunities for MHIC financed projects as soon as they are available.

Our Community Impact Officer chaired monthly Boston Employment Commission meetings, became a member of The Urban Land Institute's Pathways to Inclusion cohort, and developed a training program for the Mel King Institute on creating more access and opportunities for MBEs and people of color on construction projects. The training is scheduled for June 2019.

In 2018 Boston area projects and those outside of Boston exceeded their goals for inclusion. In Boston, 63% of the jobs went to people of color and outside of Boston 47% of the jobs went to people of color. In Boston, 24% of the total value of available construction contracts went to MBEs, with some projects exceeding their expectations with MBE usage as high as 61%. This focus remains a core mission central to how we measure our success in the community.

Groundbreaking held in the interior of 87 Washington Street, Haverhill





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TRATTORIA AL FORNO

TRATTORIA AL FORNO

87 Washington Street, Haverhill, before construction began



Bartlett Station, an HNEF investment near Dudley Square

PROJECT HIGHLIGHTS

Restoring historic mills, creating modern housing, reviving downtown



87 Washington Street **HAVERHILL**

A ceremonial groundbreaking was held in September 2018 to mark the beginning of the redevelopment of 87 Washington Street — a historic building in the heart of Haverhill that will soon be converted into rental housing and retail space. The transit-oriented development will help revitalize this gateway city of Haverhill and serve as a catalyst for increased investment.

Built in 1900, 87 Washington Street is two blocks from the Haverhill rail station and within walking distance to municipal services, grocery stores, restaurants, the Haverhill YMCA, pharmacies, banks and other amenities. The four-story building is being developed by the Traggorth Companies and will consist of 24 loft apartments and 3,125 square feet of retail.

Historically an industrial city that has confronted higher unemployment and poverty, lower educational attainment and health disparities, Haverhill has over the last several years embarked on transformative strategic initiatives to revive its downtown and promote a more prosperous, walkable and bicycle-friendly city.

To help make this development possible, HNEF provided \$1.4 million in financing. HNEF chose this development for investment because of its strong public support, immediate access to public transportation, and opportunities to reduce health disparities. Several other older vacant buildings in downtown Haverhill, including 98 Essex Street that was also financed by MHIC (described below), are being brought back to life with new housing and retail space.

87 Washington Street represents HNEF's seventh investment to date. This development is expected to create 12-17 new permanent jobs and 100 construction jobs.

98 Essex Street **HAVERHILL**

A vacant historic Shoe and Leather Association building in the heart of downtown Haverhill is being transformed into 62 new mixed-income rental apartments. The eight-story renovated building will have 56 affordable



rental apartments which includes seven apartments for formerly homeless families, six workforce housing units and 3,000 square feet of retail space. Affordable Housing & Service Collaborative, Inc. and Peabody Properties are co-developers of this project. MHIC is providing \$8.98 million in federal historic and low-income housing tax credit equity and Eastern Bank is providing \$4.65 million as a co-investor.

Redevelopment of 98 Essex Street is key to the ongoing revitalization of the gateway city of Haverhill. This historic building stood vacant during the past decade while other buildings nearby have been redeveloped into housing, businesses and other compatible uses. It is located in a desirable pedestrian-friendly and transit-oriented area near the downtown Haverhill commuter rail station. The neighborhood has many amenities including restaurants, banks, grocery stores and pharmacies, and residents will have access to nearby recreational opportunities including the downtown Riverwalk.

PROJECT HIGHLIGHTS

Transforming historic schools and commercial building into new housing



Carter School **LEOMINSTER**

When the former Carter Jr. High School in Leominster is rehabilitated, it will not only provide new affordable rental apartments, but it will also celebrate a significant part of Leominster's rich history. MHIC's long-time

partner, NewVue Communities, has taken on this historic renovation project.

Vacant since the mid-1990s and collapsing in on itself due to extensive deterioration of the building's interior, the 114-year-old

school will be converted into 39 new affordable rental apartments. The four-story brick building sits on a 2.24-

acre site directly abutting a city park and playground on West Street in Leominster's West Side neighborhood. It is being built with a comprehensive Green building plan, including Energy efficient HVAC systems and appliances and a photovoltaic system on the roof of the building for on-site renewable energy.

This project has been in the making for nearly two decades. NewVue acquired the property from a private owner in 2016 and set forth a plan for its redevelopment. That plan has received wide public and community support and a blend of public and private financing.

MHIC's financing included \$9.2 million in low-income housing and historic tax credit financing, \$3.2 million of which was provided by Avidia Bank as a co-investor. MHIC also provided a \$10.5 million construction loan with Avidia Bank as the participating lender. The project is expected to be completed in late 2019 and it will be placed on the National Register of Historic Places.





Central Building WORCESTER

The City of Worcester’s Main Street revitalization will get a boost with the historic renovation and conversion of a once major office building in the heart of the city into mixed-income rental apartments. The Krock family has nearly completed development of the Central Building into 55 rental apartments, 36 of which are for low-income residents, 14 for moderate-income working families, and five that will be rented at market rates. The building has nearly 8,000 square feet of retail space on the ground floor, enough room for two or three stores.

MHIC provided \$13.5 million in federal historic and low-income housing tax credit financing to help finance this project.

Built in 1925, the eight-story Central Building was an active office building until about two decades ago when the demand for office space declined. The last remaining tenant moved out over seven years ago. Soon this building will again come alive, providing attractive and well-situated housing for a mix of incomes and contributing to the transformation of downtown Worcester. TD Bank is both the tax credit investor and construction lender.

Moseley Apartments WESTFIELD

A former elementary school in the City of Westfield, built in 1914 and vacant for more than a decade, is being transformed into 23 new affordable rental apartments. With MHIC’s \$4.5 million in federal historic and low-income housing tax credit financing, Domus, Inc. is totally renovating the building while preserving historic elements thereby putting a vacant, deteriorating building back into productive use. The rehabilitated school will provide attractive affordable rental housing for residents of Westfield and create a safer and more vibrant environment for neighbors and pedestrians



SPOTLIGHT

Where the past meets the present: Uxbridge's Blanchard School has been transformed into new affordable housing that is steeped in history

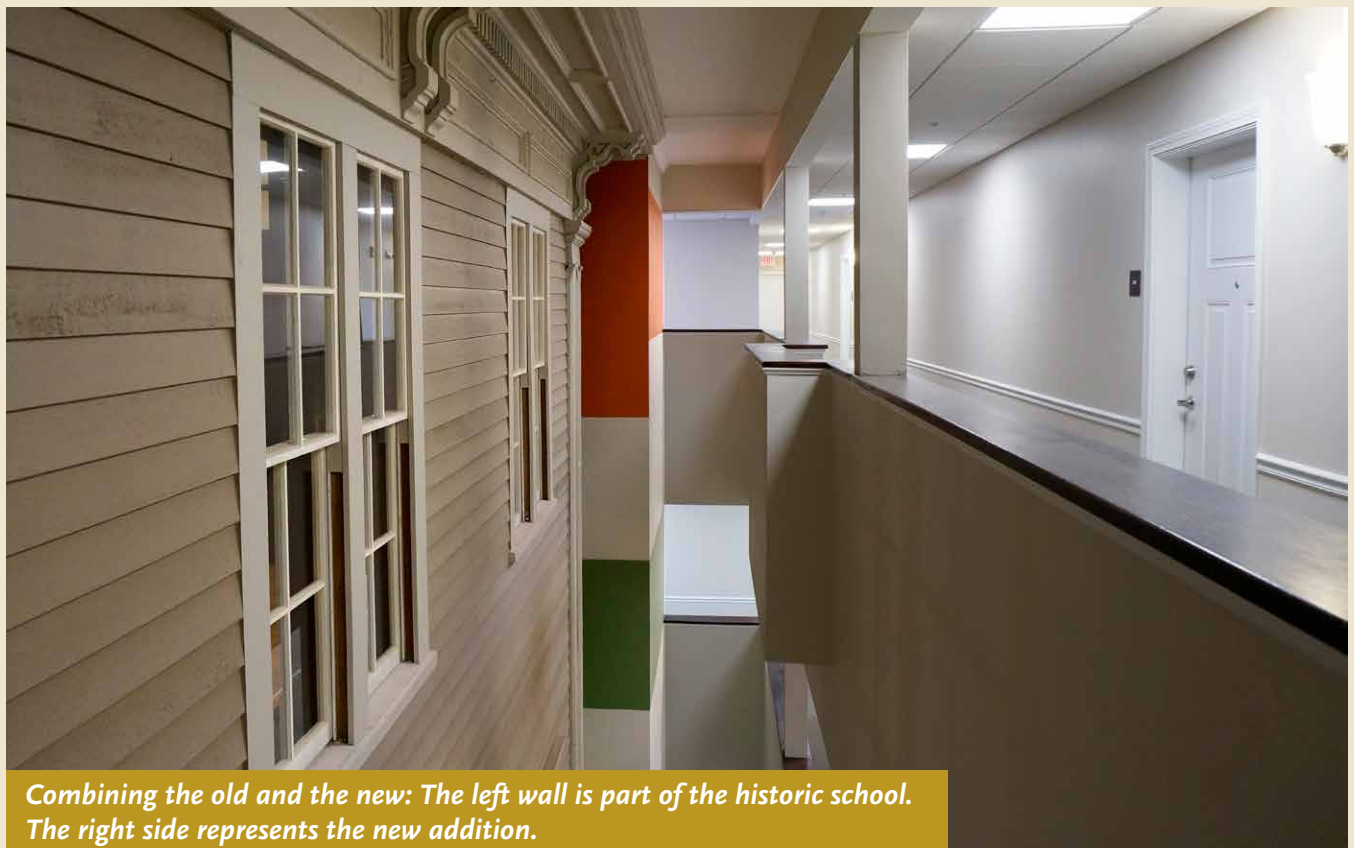
Blanchard School

UXBRIDGE

History comes alive at the newly-restored Virginia Blanchard school, now an apartment complex, in the small town of Uxbridge in south-central Massachusetts. In the interior lobby of the former four-room elementary school, you will see child-sized antique desks and chairs on a restored, polished hardwood floor facing a large blackboard, an original mural on the wall, and dark brown wainscoting and moldings around the walls and ceiling. The exterior of the building is equally stunning with a bell-shaped cupola at the center of its hip roof. It took nearly a decade to bring this project to fruition, and now the town has the benefit of 25 new and much needed affordable housing units. By the name, it will commemorate Virginia Blanchard, a local legend who taught and served as a principal at the school for 45 years from 1939–1984.

The Blanchard school, originally built in 1873 on land donated by a cotton mill, has been meticulously restored and transformed by the Virginal Blanchard Memorial Housing Association (VBMH) and Jon Juhl of JNJUHL & Associates into 25 new affordable rental apartments. Nine units are in the original structure and 16 are in a 20,200-square-foot addition at the rear of the building. The former third-floor gym/auditorium has been converted into a large community space with a small community kitchen.

Restoration and adaptive reuse of this property was an important goal of the town and its residents, many of whom attended the school. The building served as a school until 2002 at which time it was the oldest district school in the state still in active service. While the school was vacant, the town maintained the property as it considered various options for its reuse. Over time, however, the building faced deterioration from the elements and was in danger of irreparable damage to the historic features that had earned the



Combining the old and the new: The left wall is part of the historic school. The right side represents the new addition.

building its place on the National Register of Historic Places in 1983. The town and its residents were eager to preserve a piece of local history and make productive use of a valuable underutilized resource.

Realizing its potential for redevelopment, Uxbridge Housing Associates, a nonprofit development corporation and predecessor of VBMH, and Jon Juhl had been interested in the building for many years and worked with the town on a redevelopment plan starting in 2010. For Harry Romasco and Mike Potaski, both VBMH officers and long-term residents of Uxbridge, there was an emotional connection to the school. Harry had attended the school, as had his children, parents and many relatives. This emotional connection, he said, “brought a level of passion to what we were doing.” Mike lives two blocks away from the school and is very active in Uxbridge civic life. Jon had been working with Uxbridge Housing Associates and VBMH for many years and knows Uxbridge well. Along with the emotional attachment, they had a vision of what could be done.

After numerous feasibility studies, appraisals, plans and other preparatory work, they unveiled their plan before the town and in 2012 entered into an agreement to purchase the property. In 2014, they secured a comprehensive permit to develop the property as affordable housing and closed the partnership with MHIC in November 2017. During this period, the developers engaged in the hard work of securing financing, including, among other sources, MHIC’s \$6.2 million federal and historic tax credit financing as well as state historic and low-income housing tax credit financing. Through the whole process, the town and the community offered overwhelming support. UniBank, based in nearby Whitinsville, purchased the state credits.

The developers are now putting the final touches on the building and are in the process of lease-up, with preference given to residents of Uxbridge. More than half of the apartments, all of which are affordable, are already occupied. Jon Juhl and Mike Potaski are enthusiastic about showing the historic units with



their large, restored windows, some with tin roofs and walls, and an original blackboard in each unit. Where the old and new buildings connect, you can see the school’s wall with its restored crown moldings and original architectural detail.

Restoration of the Blanchard school into modern, energy efficient and affordable housing took perseverance, ingenuity, and an outstanding public-private partnership. It has resulted in the preservation of an important historic asset for Uxbridge residents to be proud of for years to come.

PROJECT HIGHLIGHTS

Preserving and improving homes for low-income families and individuals



MacArthur Terrace **CHICOPEE**

Dimeo Properties, Inc. is using MHIC's \$6.8 million in low-income housing tax credit financing for the acquisition, rehabilitation and preservation of this 222-unit rental complex which would otherwise lose its affordability restrictions at the end of 2021.

Originally built in 1977, MacArthur Terrace occupies 11.2 acres with 76 residential apartments and 146 townhouses. Located on a major bus route, the complex also includes such amenities as a playground, basketball court, community room and library. It is fully occupied and has a long waiting list of those seeking affordable rental apartments. Dimeo Properties is making renovations to both the exterior and interior of the apartments.



Bedford Village/ 447 Concord Road Apartments **BEDFORD**

Located in suburban Boston's Route 128 corridor, Bedford Village and 447 Concord Road Apartments consist of a total of 110 rental apartments. The property is being rehabilitated and preserved by MHIC's long-time partner, Preservation of Affordable Housing (POAH), Inc. Built in 1974, Bedford Village consists of 96 affordable rental apartments in 10 buildings set on 10.3 acres. Before being acquired by POAH, this property was at risk of losing the affordability of 43 low-income units and eleven moderate-income units. Nearby 447 Concord Road is a mixed-income townhome project with 14 rental apartments built in 2009. Both properties enjoy close proximity to retail centers, medical facilities, civic institutions and local schools and a neighboring bike and pedestrian path.

The apartments at Bedford Village and 447 Concord Road provide affordable options to lower-income individuals and families. They are greatly needed in Bedford where the lack of restricted housing limits rental options for low-income families.

MHIC provided a \$4.5 million low-income housing tax credit investment for Bedford Village/447 Concord Street Apartments. Middlesex Savings Bank, as a co-investor, made a \$2.3 million tax credit investment. In addition, MHIC provided a \$528,000 loan under its CMF Affordable Housing Fund to the project.

Boston Street Crossing

SALEM

Harborlight Community Partners has extensively rehabilitated and reconfigured two 3-story former SRO rooming houses to create 26 bright new service-enriched studio apartments for formerly homeless individuals. Each unit has a full kitchenette, private bathroom and furniture, with ground floor management offices, shared laundry facilities and accessible units.

Both buildings needed extensive renovation and installation of energy efficient systems. Residents of the properties have easy access to public transportation, a grocery store, pharmacy and convenience store. The properties are within a mile of the North Shore Medical Center and the Salem Police Department and City offices. Nearby, a new mixed-use development is underway that will bring retail, residential condominiums and a Community Life Center to the area. MHIC provided a \$2 million equity investment with Institution for Savings as the LIHTC investor in 2017. The project was completed in 2018.



Chestnut Crossing

SPRINGFIELD

Home City Development is currently rehabilitating and reconfiguring 104 single-room occupancy apartments into 101 energy efficient studio apartments with kitchenettes and private bathrooms. This project, for which MHIC provided \$5.5 million in low-income housing tax credit financing, is located in the Metro Center neighborhood of Springfield and occupies the top five floors of the YMCA building which Home City purchased from the YMCA in 2013. Ninety-three studios will be affordable to low- and very-low income households and eight units will be market rate.

Chestnut Street Crossing is perfectly located to maximize opportunities for the residents. It is only a block away from the new Union Station, three blocks from the bus station and less than a mile away from the new MGM Casino which plans to hire over 3,000 employees.

PROJECT HIGHLIGHTS



St. James Commons SPRINGFIELD

In another Springfield's neighborhood — Old Hill — about one mile east of the city's central business district, Valley Real Estate preserved and rehabilitated 42 affordable rental apartments in two adjacent buildings. Like the E. Henry Twiggs II project described on page 21, St. James Commons is located along the State Street Corridor, an area identified by the city as a key economic development zone. Across the street from St. James Commons is the Springfield Technical Community College and a large commercial, industrial and R&D complex. MHIC provided an \$8.4 million LIHTC investment in 2017. The development was completed in late 2018.



Hope Bay BOSTON

Hope Bay Apartments, owned by United Housing Management, is a scattered site project, 100% affordable, in Dorchester's Grove Hall neighborhood. It provides rental housing in ten 3-story walkups for 45 families. MHIC's \$1.3 million term loan, provided under MHIC's CMF Affordable Housing Fund, will help the sponsor put together a recapitalization plan to rehabilitate the buildings.



Boston Bay Apartments BOSTON

Boston Bay Apartments is a scattered site project also owned by United Housing Management (UMH) in the Grove Hall Section of Dorchester with 88 affordable rental apartments in ten 3-story walkups. In 2016 MHIC provided a \$1.96 million bridge loan to UHM while the sponsor put together a recapitalization plan to raise funds for rehabilitation. In 2018 MHIC refinanced the loan under the CMF Affordable Housing Fund.

Burbank Gardens

BOSTON

Burbank Gardens, a 52-unit affordable rental apartment building in the heart of Boston's Fenway neighborhood, was on the verge of converting to market rents due to maturing mortgages originally obtained through a state program that serves some of the lowest-income and most vulnerable populations in Massachusetts. MHIC, along with city and state funding partners, stepped in to finance the preservation of this building and prevent displacement of 50 existing tenants, many of whom are long-term residents. MHIC provided a \$4.8 million LIHTC investment for this project.

Fenway Community Development Corporation, the developer, has completed major renovations such as improved accessibility, new fire safety systems, renovation of community space, elevator replacement and other general interior and exterior upgrades.

Burbank Gardens has 39 apartments for low-income households and 13 apartments that have been converted to workforce housing for moderate-income families. It is located in a neighborhood that has excellent access to employment, shopping, healthcare, public services and recreation, as well as local area highways and public transportation. The neighborhood is also defined by increasing rents, decreasing vacancy, limited development options, and a strong demand for housing from a large student population. Now, due to the collaboration of public and private funding partners, this property's affordability has been extended in perpetuity.

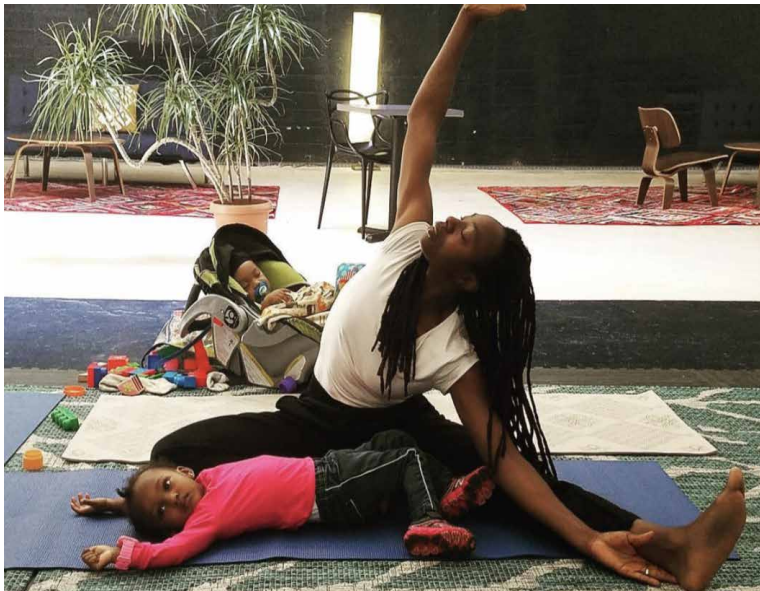


E. Henry Twiggs

SPRINGFIELD

In Springfield's Upper Hill neighborhood, about two miles east of Springfield's central business district, Better Homes, Inc. recently completed rehabilitation of 61 affordable rental apartments in 25 buildings on scattered sites. This development is part of the sponsor's larger plan to redevelop 59 scattered-site buildings with 136 units. In 2017 MHIC provided an \$8.1 million equity investment. PeoplesBank of Holyoke, as a co-investor, made a \$2 million tax credit investment in this project.

PROJECT HIGHLIGHTS



Urban Guild BOSTON

The Urban Guild is a community-driven development network by people of color, dedicated to racial equity, prosperity, health, and beauty. Their work is informed by arts and culture, healing, and asset creation through economic development. Since it was founded in 2010, the Guild has demonstrated how it can bring community residents together to build a collaborative of yoga instructors, healers, and healthy food purveyors, and provide healing and wellness sanctuaries to heal the trauma and stress of the community, by the community.

MHIC's \$65,000 loan will help the Urban Guild take ownership of the building at 260 Washington Street where they operate. MHIC's loan was made under its new Neighborhood Commerce Fund, described in the introduction of this report (page 6).



Warren Apts. II BOSTON

MHIC's \$5 million construction loan, provided under its CMF Affordable Housing Fund, was used by Tent City Corporation (TCC) to moderately rehabilitate six Victorian bow-front brownstones in Boston's South End. With a total of 30 affordable rental apartments, Warren Apartments was originally acquired and renovated by TCC in 1997 using a HUD Capital Grant and LIHTC equity from MHIC.

Turning vacant lots into vibrant, transit-oriented housing and commercial space

Bartlett Station, Building B

BOSTON

Nuestra Comunidad Development Corporation and Windale Developers are in the process of transforming a vacant, contaminated former MBTA bus garage, refueling depot, and rail yard into a culturally vibrant, mixed-use community. A short walk to Dudley Square and the MBTA bus station, the Silver Line, and many new amenities, Building B is the first phase of a multi-phase development called Bartlett Station and it is nearly completed.

Building B involved new construction of a five-story building encompassing two projects: 1) 28 mixed-income rental apartments (expected to convert to homeownership when the 7-year New Market Tax Credit compliance ends), 13,000 square feet of retail space, and a parking garage, all of which HNEF helped to finance in 2017 with \$2.9 million in subordinate loans; and 2) 32 units of low-income housing tax credit housing that is being separately financed.

Repurposing the strategically located 8.6-acre property will significantly advance the community's vision for the ongoing renewal of this area. When the full build-out of Bartlett Station is completed, it will include 323 housing units (market rate, affordable rental and homeownership), 46,000 square feet of commercial/retail, green space, and a public plaza with arts and cultural programming.



Melnea Residences

BOSTON

Melnea Residences, a mixed-income rental complex on the corner of Melnea Cass Boulevard and Washington Street in Roxbury has just been completed. This six-story development with 50 rental apartments came about after decades of community organizing, planning and public-private collaboration. The project plan got a major boost in 2012 when Urbanica, Inc.



was designated developer by the Boston Planning and Development Agency, owner of the site. HNEF provided \$3.85 million in financing for the project in 2017.

The site where Melnea Residences was built — long known as Parcel 9 — is on the edge of Dudley Square along Melnea Cass Boulevard and Washington Street, two busy thoroughfares that run through the heart of the Roxbury community. Until 2017 the property was vacant and underutilized. Its redevelopment is an integral part of a larger \$38 million development that also includes the recently-completed Marriot Residence Inn (see page 31), which MHIC financed through New Market Tax Credits. These projects are close to the MBTA Silver and Orange lines, across the street from a baseball field and park, and adjacent to the South Bay Harbor Trail, a pedestrian and bike route that will connect Boston's neighborhoods to the waterfront. Melnea Residences is also across the street from the Tropical Foods grocery store and within walking distance to Boston Medical Center, shops, parks, restaurants, historic and cultural sites and other amenities.

During the construction period Urbanica was particularly attentive to and made extraordinary efforts to utilize workers of color and minority-owned businesses, with 43% MBE usage and 79% people of color worker hours.

The development of Melnea Residences and the Marriott Residence Inn, along with other recently completed or under development projects will substantially alter the economic and physical fabric of this neighborhood and contribute to an overall healthier community.

PROJECT HIGHLIGHTS

Building new homes...building healthy communities



UHomes **BOSTON**

This project, for which MHIC provided a \$305,025 predevelopment loan to Urbanica, Inc., consists of 20 homeownership units, including 12 affordable units on Antwerp Street in Boston's Brighton neighborhood. The development will create approximately 15,000 square feet of publicly accessible open space to benefit the neighborhood.

This mixed-income residential project was proposed by Urbanica in response to a 2017 Request for Proposals led by the Boston Planning and Development Agency for the parcel which was donated by Harvard University with the goal of creating affordable homeownership opportunities and publicly accessible open space. Over the past several years this neighborhood has undergone a transformation from a blighted vacant shopping center and other dilapidated or underused structures to an attractive mixed-income neighborhood with both affordable and market rate rental apartments, homeownership condominiums, retail establishments, a community center and many other amenities.

Olmstead Green **BOSTON**

Boston's Mattapan neighborhood will be enriched by the construction of a new mixed-income rental apartment complex on the 8-acre site of the former Boston State hospital. Lena New Boston LLC and Lena Park CDC are collaborating to develop 100 rental apartments in 23 buildings — the fourth phase of an eight-phase master development that includes affordable and market rate rentals as well as homeownership units. Forty percent of Olmstead Green's apartments will be low-income, 40 percent will be workforce housing and 20 percent will be market rate. The project will be enhanced with new public infrastructure consisting of roads, walkways, water and sewer and street lighting constructed primarily utilizing a MassWorks grant. MHIC provided a \$4.9 million low-income housing tax credit investment and was able to do so quickly when a former investor withdrew. Rockland Trust at \$2.7 million, and East Boston Savings Bank at \$2.2 million, are the co-investors in the tax credits.





Concord Highlands
CAMBRIDGE

Concord Highlands, being developed by Homeowner’s Rehab, Inc., will be the largest new affordable housing community to be built in Cambridge in over 40 years. Located across from Fresh Pond in the Alewife-Cambridge neighborhood, the development will provide 98 apartments that are affordable to low-, moderate-, and middle-income households. MHIC provided \$9.7 million in low-income housing tax credit financing for this development. TD Bank is the tax credit investor and the construction lender.

This new complex involves the construction of a six story building designed for the highest levels of energy efficiency and sustainability and a building structure to meet Enterprise Green Communities and Passive House standards. This development will also meet Active Design priorities, facilitating a healthy living environment for all residents.

Residents will have the benefit of many transportation options with bus stops directly in front of the property and the Alewife MBTA station within walking distance. The 162-acre Fresh Pond reservation system will give residents many active and passive recreational opportunities.

Concord Highlands will provide crucial affordable rental apartments in this area of Cambridge which is a Designated Area of Opportunity and is in the process of transforming from an industrial/manufacturing district into a new mixed-use neighborhood. It is being developed under a Chapter 40B Comprehensive Permit with strong financial support from the City of Cambridge

Coppersmith Village
BOSTON

A few blocks from Maverick Square in East Boston, Neighborhood of Affordable Housing built a new apartment complex on a former industrial site. This transit-oriented development gives area residents more housing options and will breathe new life into a neglected but well-situated corner of East Boston. This attractive complex includes 56 rental apartments, 15 for-sale townhomes, and 3,000 square feet of commercial space. MHIC’s provided \$7.6 million LIHTC financing in 2016 for the 56-unit rental portion of the development. Of the 56 apartments, 41 are affordable and 15 are market rate. This property is 0.2 miles from the Maverick Square MBTA Station which gives direct access to downtown Boston in less than 10 minutes. Nearby Maverick Square offers many amenities including restaurants, banks, grocery stores, and the East Boston Neighborhood Health Center. East Boston Savings Bank is also a co-investor in the LIHTC for \$2 million.



Walker Park
BOSTON

Three vacant, blighted urban infill sites surrounded by an otherwise active community in Egleston Square, Roxbury, were redeveloped to create an affordable rental housing complex with 49 new apartments. MHIC’s long-term partner Urban Edge Housing Corporation recently completed construction of two 4-story buildings adjacent to the Egleston Square Library and Egleston Square Main Street District. Residents also have access to nearby parks, including the 500-acre Franklin Park, playgrounds, shopping, public transportation, and other amenities. MHIC provided a \$5.8 million LIHTC investment in 2017 for this development, named in honor of longtime community activist Delphine Walker, whose home once stood on one of the three sites.



SPOTLIGHT

Vacant downtown parcel is transformed into attractive, mixed-use transit-oriented apartment complex...adding vitality to downtown renewal



Holmes Beverly BEVERLY

Holmes Beverly, for which MHIC provided an \$800,000 predevelopment loan and a \$4.9 million HNEF investment in 2017, is a brand new mixed-use, mixed-income development on Rantoul Street in downtown Beverly. This 67-unit development transformed an underutilized, vacant parcel at a commuter rail station into a new transit-oriented community. It is an attractive six-story building with ground floor commercial space, immediately next to the Beverly Depot commuter rail station, the second busiest commuter rail station in the state. A world-renowned chef who operated L'Espalier in Boston plans to open a restaurant on the ground floor.

Holmes Beverly is part of a master plan to revitalize downtown Beverly. A centerpiece of that plan, crafted by the city and Beverly Main Streets, is turning Rantoul Street into a main thoroughfare similar to Cabot Street which runs parallel. To advance that goal, the city created bike lanes, new sidewalks and streetlights, landscaping, utilities and roadway improvements.

Holmes Beverly got its start when the MBTA completed construction of a new 500-car parking garage at the Beverly Depot commuter rail station in 2014 and recognized a chance to continue investing in Beverly through the state's new "Open for Business" program — a program that provides development opportunities on state-owned land. The MBTA put out a bid for the site, and in July 2016 Barnat Development was designated as developer. The project also received funding from



MassHousing's \$100 million Workforce Housing Initiative, a state program that promotes development of workforce housing. Fourteen of Holmes Beverly's apartments are reserved for households earning at or below 80% of the AMI and two to households earning at or below 110% of the AMI.

Holmes Beverly promotes healthy living in a variety of ways. All of its residential units are Indoor-Air Plus certified, and the building includes a roof deck, fitness room, bike storage, and an outdoor dog run. Residents have easy access to beaches and public parks, a grocery store, a farmer's market, theaters and other entertainment venues, as well as the various retail amenities along Rantoul Street.

In April 2018 Barnat Development, along with 13 CREW Boston members from different disciplines, won an achievement award for their work on Holmes Beverly. Later in the year, the project won an award from CREW national.



PROJECT HIGHLIGHTS



Meriden Commons I **MERIDEN, CONNECTICUT**

Meriden Commons is a new mixed-use, mixed-income rental apartment building that represents the first of two phases of development of a public-private initiative that will transform the character of downtown Meriden. With 75 high-quality apartments and 5,445 square feet of retail space, the development is steps away from Meriden's new train station and across from the Meriden Green park. Sixty of the apartments are affordable, with eight units set aside for homeless or formerly homeless households. The building also has a community room and fitness center, storage facilities, offices for support services providers and a playground.

In 2017 MHIC is provided two first mortgage notes: a \$1,810,513 permanent first mortgage loan by MHIC, LLC, and a \$2,391,000 permanent first mortgage loan sourced from a Federal Home Loan Bank of Boston Affordable Housing Program subsidized advance. The development was completed in 2018.



Treadmark **BOSTON**

Completed in late 2018, Treadmark is a transformative development that will significantly advance the revitalization of Boston's historic Ashmont neighborhood. The development is composed of two separately financed projects within a single building, directly across from the recently reconstructed Ashmont MBTA station at Peabody Square. MHIC's \$486,130 Healthy Neighborhoods Equity Fund investment, made in 2016, is in the 32-unit homeownership condominiums on the 5th and 6th floors. The rental portion (not financed by MHIC) consists of 51 LIHTC apartments and ground floor neighborhood retail. Trinity Financial, Inc. is the developer.

NEW MARKETS TAX CREDIT PROJECTS

Creating new jobs, stimulating economic development, reviving neighborhoods

EBECC Library

BOSTON

East Boston Community Development Corporation renovated and adapted a former branch of the Boston Public Library for use by multiple nonprofit organizations. For this project, MHIC provided \$2 million in New Markets Tax Credit financing.

Founded more than forty years ago, the EBCDC is dedicated to enhancing the lives of low-income residents through economic development activities. The building's primary tenant, East Boston Ecumenical Community Council (EBECC), provides programs and services for Latino immigrants, such as teaching ESL, computer instruction, school drop-out prevention, and assistance with citizenship applications. With a high poverty rate in East Boston, particularly among immigrants, the demand for EBECC's services is growing; the nonprofit currently has waiting lists for many of its services. The space that EBECC formerly occupied in the post office building's basement was inadequate and inaccessible to persons with disabilities or with strollers, or even for the general population during the snowy weather.

The renovated building gives EBECC 40% more space which will enable the nonprofit to increase the numbers served and enhance the quality of its programming. Other building tenants include East Boston Neighborhood Health Center's fitness and nutrition programs, Veronica Robles Cultural Center, providing youth leadership and dance programs and multi-cultural events, and Urban College, offering low-cost post-secondary education for working adults. Chase is the NMTC investor for this project.



Swift Factory

HARTFORD, CONNECTICUT

This development will transform the former M. Swift & Sons Gold Leaf Factory, historically a major employer in Northeast Hartford, into a vibrant community hub for employment and local entrepreneurship and create an estimated 160 jobs. For this project, MHIC provided \$11.2 million in NMTC financing and a \$6.8 million bridge loan in participation with BlueHub Capital.

The Swift Factory is located in the poorest neighborhood in Hartford beset by high unemployment and poverty, low education levels, poor health, and lack of fresh foods and services. For these reasons, the City of Hartford considers the Swift Factory restoration to be the centerpiece of its larger plan for transforming this area.

Community Solutions International (CSI) is renovating the 85,000-square-foot factory which sits on 2.6 acres that are part of a federally-designated "Promise Zone." The development will house businesses that will offer quality jobs offering living wages. It will create economic mobility for neighborhood residents and opportunities for aspiring neighborhood entrepreneurs.

The priority uses for redevelopment of the property were developed via an extensive community engagement process led by CSI. One of the largest tenants will be a thriving restaurant and food services company paying a minimum \$15/hour wage. The company is committed to local hiring and employing individuals facing barriers to employment. The sponsor plans to operate a food incubator with space for ten local businesses and a shared office and co-working space, all supported by mentoring services to help entrepreneurs succeed. Most of the remaining space is reserved for an adolescent-focused primary care and behavioral health practice. US Bancorp CDC is the New Markets and federal historic tax credit investor for this project.



Wash Cycle Laundry

CHELSEA

Wash Cycle Laundry is an innovative social enterprise business that puts people with high barriers to employment on a path to economic mobility. The company provides supervisory experience, incentive compensation, and a specialized professional development curriculum, and is partly supported from nonprofit partners. Founded in Philadelphia in 2010, the company now has a substantial new presence in Massachusetts. MHIC's \$2.6 million in NMTC financing, and a \$1.4 million 7-year loan, enabled the company to renovate and equip leased space in Chelsea to create a 10,000-square-foot laundry plant that services hotels and other commercial customers in the Boston area. The company uses environmentally sustainable production methods with advanced tech-

nology which dramatically reduces water usage, washes fabrics cleaner at lower temperatures and cuts chemical usage. Wash Cycle Laundry is working with local organizations that help find jobs and provide support for ex-offenders, individuals in recovery from addiction, and other hard-to-hire individuals. The company also employs traditional workers. With a starting crew of 18 employees, this NMTC project is expected to create up to 71 new jobs. Chase is the NMTC investor for this project.



Marriott Residence Inn BOSTON

The Marriott Residence Inn, opened its doors to its first guests in January 2019.

Located on the corner of Melnea Cass Boulevard and Washington Street in Roxbury — a site known as Parcel 9 — this attractive six-story hotel has 135 rooms, a fitness center, lobby bar and lounge serving food, three rooms for events and meetings, and 1,900 square feet of commercial/retail space. It is the first hotel to be built in Roxbury in over a decade.

The development began back in 2012 when Kamran Zahedi of Urbanica, Inc. and a group of community investor partners first received developer designation from the then Boston Redevelopment Authority and plans for the property began to take shape. This followed many years of community engagement.

Thus far, XSS/Colwen, the hotel owner-developer-manager selected, has hired 32 full-time and six part-time employees. The majority are local residents, with 47% from Roxbury. 92% of the hourly workers live in low-income households. The minimum wage at the hotel is \$18/hour, and all jobs have solid advancement potential both within the hotel and regionally throughout the Colwen organization. To date the hotel is utilizing sixteen local small businesses to support its operations.



The Melnea Residences (page 23), the mixed-income residential project owned and developed by Urbanica next door to the hotel, is near completion. It was financed with the help of a \$3.85 million investment by MHIC's Healthy Neighborhoods Equity Fund which closed in late 2017.

The Marriott Residence Inn brings vitality to what has long been a vacant site along a busy and highly visible thoroughfare and connects Dudley Square to the South End. The new hotel has already started to bring many additional visitors to the neighborhood. MHIC's \$13.4 million NMTTC investment was used to help finance the hotel. Chase is the NMTTC investor.



Greater Burlington YMCA
BURLINGTON, VERMONT

With NMTC financing, the Greater Burlington YMCA is building a new 51,623-square-foot state-of-the-art facility. The organization’s current building, constructed in 1934, is inefficient with activities spread across 11 levels that are largely inaccessible to the disabled and those with mobility issues. This new facility is vital to GBYMCA’s ability to continue to serve the community and low-income households, particularly those with children. GBYMCA will be able to generate additional revenue from increasing member retention and by attracting new members.

GBYMCA’s new building will have more space, resolve accessibility issues, and modernize with energy efficiency and new equipment. The organization will be able to increase community programming, particularly those focusing on early childhood education, afterschool care, and wellness. This project will create 14 new FTE and six part-time positions in early childcare and 24 part-time jobs across various programs. It will also generate 72 FTE construction jobs.

MHIC provided \$9 million in NMTC financing as one of three CDEs providing a total of nearly \$25 million in NMTC financing. US Bancorp is both a CDE and the NMTC investor.

Crispus Attucks Children’s Center
BOSTON

Located in the heart of Boston’s Roxbury and North Dorchester neighborhoods on a 90,000- square-foot campus, Crispus Attucks Children’s Center (CCAC) is one of the largest providers of infant and toddler care in Boston and one of the largest providers of early education in the state that accepts childcare vouchers. Currently serving approximately 239 children and their families in Boston’s highest needs neighborhoods, the Center’s campus and facilities are nearly 50 years old and in need of significant physical repairs and improvements to enable CCAC to continue to provide high quality care. MHIC’s \$3.8 million in NMTC financing will help the nonprofit address the highest priority maintenance issues and essential capital replacement needs, including updating and reconfiguring the infant and toddler room, installing energy-efficient windows and other energy conservation measures, and replacing the failing HVAC system. MHIC’s investment will help to preserve day care available to low-income families who need this resource to continue working, to find work and/or to increase job skills and to ensure that their children are receiving high quality, safe and affordable childcare. This project is part of a larger plan to return CCAC to solid fiscal and physical health, increase management capacity and ensure long term sustainability. Chase is the NMTC investor for this project.





Family Nurturing Center
BOSTON

Family Nurturing Center (FNC), a nonprofit dedicated to strengthening families and preventing child abuse and neglect, will more than double the size of the current 5,400-square-foot building in which they operate with the help of MHIC’s \$5.7 million in NMTC financing. The expansion will allow FNC to centralize their existing services, expand the scope and type of services they offer, and expand their staff.

For more than 25 years, FNC has provided programs to build the nurturing skills of parents, ensure school readiness and enhance early cognitive and social skills of children. The organization subcontracts funds to eight other agencies serving families in Boston’s lower-income neighborhoods and extends its reach and impact by partnering with the Department of Children and Families and other organizations to train providers statewide in the Nurturing Philosophy.

FNC’s new building will include: state-of-the-art indoor play space for parent-child playgroups; a large flexible space for Nurturing Programs, training, and community events; a warming kitchen to provide meals for participating families; and open, renovated office space and work stations to encourage collaboration. FNC expects to create 17 FTE construction jobs and seven FTE permanent jobs after completion. Bank of America CDC is the NMTC investor for this project.



Meeting Street
PROVIDENCE, RHODE ISLAND

Founded in 1946 and headquartered in a distressed neighborhood of South Providence, Meeting Street provides educational and therapeutic services to over 5,000 children annually, mostly from low-income families. The organization’s existing facility, which is situated on a 9-acre campus, is home to three schools: The Hope Academy Charter School which operates independently but with the support of Meeting Street; The Grace School, the first fully inclusive K-8 school in the nation that has become a model for inclusive education; and The Carter School which provides life skills and vocational education for high school student with severe to profound special needs.

With MHIC’s \$12.6 million in NMTC financing, Meeting Street will make major capital improvements to its existing 76,000- square-foot educational facility and build a 28,000-square-foot addition to allow The Hope Academy to expand from a K-3 to a K-8 school, for which it is chartered, and to enhance the systems, classrooms and program space in its existing facility. Expansion of the Meeting Street building will allow the charter school to admit up to 180 more children each year, including a high percentage of low-income and special needs children. The addition will also bring 25 new high-paying FTE permanent jobs to this neighborhood. Citizens Bank is the NMTC investor for this project.

Horizons-Watermark Center

BOSTON

Horizons for Homeless Children, a nonprofit dedicated to improving the lives of young homeless children and their families, and WaterMark Construction and Development, Inc., a for-profit real estate firm, have teamed up to create a unique social services hub in Boston's Jackson Square neighborhood. For this project MHIC provided \$7.5 million as one of six CDEs that together provided a total of \$46 million in New Markets financing.



The new Horizons Watermark building will be a center for nonprofits and state and city agencies that provide high-impact social services to the city's most vulnerable and low-income populations. The project involves the land acquisition and construction of a 6 ½ story, 211,000-square-foot office building with underground parking spaces and bike storage, and many site improvements such as new sidewalks, trees, and lighting.

Horizons works to alleviate the trauma and stress of homelessness on both children and their families by providing high-quality early education, opportunities for play, support for parents, and comprehensive family support services. In the new building Horizons will be able to consolidate and expand its programs in one location while retaining existing programs at shelters serving homeless families. It will serve as the organization's headquarters and as a location for their new 45,000-square-foot Early Education Center that will allow Horizons to increase the number of homeless children and families served from 318 to over 400. Social services tenants that have pre-leased space from Watermark include the state Department of Children and Families and YouthBuild USA.

This project will create an estimated 252 FTE construction jobs and as many as 280 FTE permanent jobs. The Northern Trust Company is the NMTC investor for this project.

PACE

REVERE

East Boston Neighborhood Health Center (EBNHC), one of the largest Federally-Qualified Health Centers in the country, used NMTC financing to build a new 15,000-square-foot facility in nearby Revere to house its Neighborhood Program for All-Inclusive Care for the Elderly (PACE) in Revere. MHIC provided \$9.7 million in NMTC financing in 2017 and the project was completed in 2018. Chase allocated \$950,000 in NMTC financing as a co-CDE and is also the tax credit investor.

EBNHC's PACE is part of a national PACE network—a model of care based on the belief that older adults with chronic care needs, and their families and caregivers, are better served by remaining in their homes and community whenever possible. These centers typically offer recreational, social, rehabilitation, homecare and related services, in addition to serving the health and medical needs of its patients. The program gives independence to older adults without co-pays, deductibles, or insurance gaps. PACE participants typically have fewer hospitalizations than 55+ year-old adults enrolled in fee-for-service Medicare.

The new PACE Day Center created approximately 50 jobs during construction and in the new facility it expects to create 50 new FTE jobs once fully operational. This project represents MHIC's eleventh community health center financed through New Markets Tax Credits.





Way Finders Housing Center SPRINGFIELD

MHIC's long-time partner Way Finders, Inc. is building a new state-of-the-art Housing Center and headquarters in downtown Springfield. The site, formerly occupied by the Peter Pan Bus line, which relocated to the nearby and recently renovated Union Station, lies just outside the edge of the Metro Center area, which was designated by MassDevelopment as part of the Transformative Development Initiative. TDI is a place-based development program for Gateway Cities that MassDevelopment designed to enhance local public-private engagement and community identity, stimulate an improved quality of life for local residents and spur increased investment and economic activity. This project is considered to be a critical element of this program. Besides developing affordable housing, Way Finders provides services to tenants, homebuyers and rental property owners. With new, accessible meeting spaces and conference rooms, Way Finders will be able to deliver services more efficiently and effectively to its client base. This new development will also create 20 new FTE permanent jobs and 35 FTE construction jobs.

With a New Market Tax Credit investment of \$8.3 million, MHIC is one of three CDEs providing a total of \$13.3 million in NMTC authority. Capital One is of the co-CDEs and is the NMTC investor for this project.





Meriden Commons, Meriden, Connecticut

PROJECTS FINANCED IN 2018

PROJECT	UNITS	LOAN	HOUSING TAX CREDITS	NEW MARKETS	HNEF	TOTAL
Carter School Apartments, Leominster	39	\$ 6,825,000	\$ 9,165,223	\$		\$ 15,990,223
Warren Apartments II, Boston	30	5,000,000				5,000,000
Boston Bay Apts, Boston		1,960,000				1,960,000
Somerville 100 Homes Initiative Line of Credit, Somerville	5	1,702,423				1,702,423
Hope Bay Apts., Boston	45	1,260,000				1,260,000
POAH, LLC Loan for Bedford Village, Bedford		528,000				528,000
UHomes LLC, Boston	20	305,025				305,025
Urban Guild, Boston		65,000				65,000
New Garden Park Inc., Worcester		50,000				50,000
98 Essex Street, Haverhill	62		13,627,712			13,627,712
Central Building, Worcester	55		13,514,218			13,514,218
Concord Highlands, Cambridge	98		9,673,073			9,673,073
Bedford Village & 447 Concord Road Apartments, Bedford	110		6,832,532			6,832,532
MacArthur Terrace, Chicopee	222		6,787,588			6,787,588
Chestnut Crossing, Springfield	101		5,525,271			5,525,271
Olmsted Green, Boston	100		4,915,985			4,915,985
Burbank Gardens, Boston	52		4,822,197			4,822,197
Moseley Apartments, Westfield	23		4,513,402			4,513,402
Swift Factory, LLC, Hartford		6,779,057		11,155,000		17,934,057
Meeting Street, Providence				12,610,000		12,610,000
Greater Burlington YMCA, Inc., Burlington				8,972,500		8,972,500
Way Finders Housing Center, Springfield				8,342,000		8,342,000
Horizons-Watermark Center, Boston				7,469,000		7,469,000
Family Nurturing Center, Boston				5,693,900		5,693,900
Wash Cycle Laundry, Chelsea		1,371,335		2,570,000		3,941,335
Crispus Attucks Children's Center, Boston				3,760,000		3,760,000
EBECC Library, Boston				2,000,000		2,000,000
87 Washington Street, Haverhill	24				1,358,324	1,358,324
TOTAL	986	\$25,845,840	\$79,377,201	\$62,572,400	\$1,358,324	\$169,153,765

PARTICIPATING ORGANIZATIONS 2018

MHIC's 46 member corporations have collectively committed more than \$1.6 billion to finance the development of affordable housing and community development. The status of these commitments, as of December 31, 2018, is displayed below.

MEMBER CORPORATION	LOAN	HOUSING TAX CREDITS	NEW MARKETS	HNEF	TOTAL
Bank of America Merrill Lynch	\$12,750,000	\$233,829,260	\$23,165,654	\$	\$269,744,914
State Street	3,000,000	199,813,278	13,919,202		216,732,480
TD Bank	1,750,000	166,917,673	45,743,190	1,000,000	215,410,863
Citizens Bank	4,000,000	110,685,162	18,717,672	2,000,000	135,402,834
Freddie Mac		99,730,000			99,730,000
US Bank			89,705,264	1,100,000	90,805,264
Fannie Mae		77,255,600			77,255,600
Eastern Bank	950,000	40,288,812	5,000,000	1,000,000	47,238,812
Wells Fargo Community Lending & Investment		43,643,742	3,495,960		47,139,702
People's United Bank	300,000	38,435,545		1,000,000	39,735,545
Santander Bank		30,740,000		5,000,000	35,740,000
Chase			25,996,605		25,996,605
Institution for Savings		24,039,331			24,039,331
AEGON USA Realty Advisors, Inc.			24,000,000		24,000,000
The Northern Trust Company	6,100,000	15,000,000	2,792,790		23,892,790
Brookline Bank		20,086,424		1,000,000	21,086,424
TransCapital			20,000,000		20,000,000
United Bank		16,400,000	2,785,478		19,185,478
Cambridge Savings Bank		15,792,744		1,000,000	16,792,744
Boston Private	300,000	13,150,000	1,500,000	1,000,000	15,950,000
BNY Mellon		15,535,600			15,535,600
Citibank			15,000,000		15,000,000
WICOR America Inc.			15,000,000		15,000,000
Cathay Bank		13,100,000			13,100,000
PeoplesBank		6,420,000	3,785,478		10,205,478
Berkshire Bank		2,000,000	8,000,000		10,000,000
Blue Hills Bank	350,000	9,500,000			9,850,000
East West Bank		7,000,000	2,500,000		9,500,000
Middlesex Savings Bank	5,000,000	3,291,693			8,291,693
PNC Bank	1,500,000	6,358,900			7,858,900
MHIC				7,000,000	7,000,000
Rockland Trust Company		6,756,534			6,756,534
Avidia Bank		6,557,127			6,557,127
Capital One			5,227,950		5,227,950
East Boston Savings Bank		4,358,011			4,358,011
Webster Community Development Corporation			3,247,675		3,247,675
Cambridge Trust Company	1,000,000	2,000,000			3,000,000
Federal Home Loan Bank of Boston	\$2,573,717				2,573,717
Needham Bank		1,000,000			1,000,000
Radius Bank	1,000,000				1,000,000
Enterprise Bank And Trust Company		813,715			813,715
BankFive		568,000			568,000
Boston Medical Center				500,000	500,000
Private Investor				500,000	500,000
NJ Enterprises, Limited Partnership				250,000	250,000
Salem Five	250,000				250,000
Total	\$40,823,717	\$1,231,067,151	\$329,582,918	\$22,350,000	\$1,623,823,786

FINANCIAL SUMMARY 2018

BALANCE SHEETS

Assets	DECEMBER 31, 2018	DECEMBER 31, 2017
Cash	\$13,179,363	\$16,566,767
Investments in marketable securities	216,063	304,639
Program related loans	15,557,558	4,769,108
Program related investments	5,807,113	6,210,519
Amounts receivable and other assets	4,779,162	4,108,481
Total assets	<u>\$39,539,259</u>	<u>\$31,959,514</u>
Liabilities and net assets		
Unearned fees	\$1,906,128	\$2,214,861
Notes payable	13,173,717	5,783,677
Other liabilities	2,882,589	3,748,755
Net assets	<u>21,576,825</u>	<u>20,212,221</u>
Total liabilities and net assets	<u>\$39,539,259</u>	<u>\$31,959,514</u>

STATEMENTS OF ACTIVITIES

Revenues

Loan program revenue	\$668,863	\$716,143
Equity program revenue	4,532,289	4,524,305
New markets program revenue	4,038,399	3,773,374
Other program revenue	973,896	936,339
Grant income	1,005,372	1,486,226
Total revenue	<u>11,218,819</u>	<u>11,436,387</u>

Expenditures

Salaries and benefits	6,760,062	6,522,247
Professional services	1,248,851	959,528
Other expenditures	1,441,270	1,193,151
Grant expenses	590	2,075,860
Total expenditures	<u>9,450,773</u>	<u>10,750,786</u>
Change in net assets from operations	1,768,046	685,601
Non-operating revenue (expenses)	(403,442)	(339,621)
Total change in net assets	1,364,604	345,980
Net assets at beginning of year	<u>20,212,221</u>	<u>19,866,241</u>
Net assets at end of year	<u>\$21,576,825</u>	<u>\$20,212,221</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 2018

ASSETS UNDER MANAGEMENT

as of December 31, 2018

BY LOCATION	LIHTC	NEW MARKETS	LOANS	HNEF	TOTAL
Greater Boston	\$341,408,100	\$116,450,843	\$14,141,360	\$13,130,666	\$485,130,969
Remainder of Massachusetts	391,414,042	128,160,214	15,066,543	6,295,958	540,936,757
Connecticut	10,090,006	42,049,500	5,100,306	0	57,239,812
Rhode Island	3,936,116	26,929,400	0	0	30,865,516
Vermont	0	29,787,790	0	0	29,787,790
Maine	0	11,111,804	0	0	11,111,804
New Hampshire	0	8,973,264	0	0	8,973,264
Total	\$746,848,264	\$363,462,815	\$34,308,210	\$19,426,624	\$1,164,045,913

BY DEVELOPMENT TYPE	LIHTC	NEW MARKETS	LOANS	HNEF	TOTAL
Rental Housing (not senior/SRO)	\$667,049,237	\$	\$25,243,866	\$18,940,494	\$711,233,597
Rental Housing for Seniors	63,335,472				63,335,472
Rental Housing SRO	12,192,093				12,192,093
Rental Housing Assisted Living	4,271,462				4,271,462
Homeownership				486,130	486,130
Nonprofits/Community Service		102,825,602	65,000		102,890,602
Business and Manufacturing		26,126,450	1,432,910		27,559,360
Health Care and Health Related		52,869,500			52,869,500
Neighborhood Revitalization		181,641,263	7,566,434		189,207,697
Total	\$746,848,264	\$363,462,815	\$34,308,210	\$19,426,624	\$1,164,045,913



PACE participant with East Boston Neighborhood Health Center board chairwoman at the PACE ribbon-cutting ceremony

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*resigned 12/18 ** resigned 12/18

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† Christopher Sikes, Common Capital
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* resigned 12/18

** resigned 12/18

† resigned 4/19

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