

Home Funders Contributors 2003-2010

*BNYMellon Charitable Giving
Program/Peter E. Strauss Trust*
Bank of America
Bank of America Charitable Trusts
The Baupost Group
The Boston Foundation
The City of Boston
Harold Brooks Foundation
Butler Family Fund
*Catherine and Paul Buttenweiser
Foundation*
Cabot Family Charitable Trust
Annie E. Casey Foundation
Fannie Mae Foundation
*The Paul and Phyllis Fireman
Charitable Foundation*
F.B. Heron Foundation
The Highland Street Foundation
*The Morris & Ester Horowitz
Family Foundation*
The Hyams Foundation
Klarman Family Foundation
The Lynch Foundation
*The Commonwealth of
Massachusetts*
Vincent Mulford Foundation
Nixon Peabody LLP
Kenneth Novack
Oak Foundation
Mabel Louise Riley Foundation
State Street Bank Foundation

Home Funders Annual Report



2010

Home Funders

Home Funders Overview

The Home Funders Collaborative brings together private investors who are using philanthropic dollars to promote the development of affordable housing for homeless and other extremely low-income (ELI) families in Massachusetts. These funders came together in order to have a more significant impact on the most critical cause of family homelessness – the lack of truly affordable housing. They concluded that unless families have a stable place to live, all other social investments have little or no lasting value.

Home Funders' goal is to create 1,000 housing units for ELI families as part of developing 4,000 affordable units overall. As of December 31, 2010, Home Funders has financed a total of 2,121 units of housing including 684 ELI units. Home Funders' committed loan funds have grown to \$21 million toward a goal of \$26 million. These loan funds have leveraged over \$200 million in public and other private resources since 2003 to address the ongoing housing crisis for ELI families in Massachusetts.

To date, Home Funders has 12 private foundation investors that have either made Program Related Investments (PRIs) at 1% interest or grants for lending purposes. An additional 11 private donors have made grants for complementary public education, public policy advocacy, administration and transitional services as described in more detail below.

Public Policy Update

In the fall of 2010, the expected \$9 million in bond capacity for the Housing Innovations Fund (HIF) for FY11 was reduced to \$6 million. HIF is a critical resource for developing housing for homeless and ELI families and is utilized in many Home Funders projects. The need and demand for HIF are great, and any reduction in funding threatens not only desperately needed projects in the pipeline but also discourages developers from continuing to advance projects that rely on this source. While the current state fiscal crisis has made it difficult to increase funding for any state programs, Home Funders continues to advocate for a reversal of this reduction in HIF for FY11. In addition, Home Funders is advocating that HIF has the full allocation of \$9 million for FY12 and beyond.

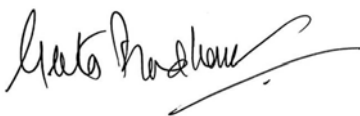
Dear Friends,

The Home Funders Collaborative is very pleased to announce the hiring of Soni Gupta as its new Executive Director. Soni brings a strong commitment to and passion for providing more permanent homes for homeless and other extremely low-income families, and for addressing the continuing family homelessness crisis in Massachusetts. Soni has deep knowledge of affordable housing development and finance as well as first-hand experience with what it actually takes to successfully develop and sustain housing for very low-income families. Most recently, Soni has been a consultant to a number of nonprofit housing developers across the state where she has overseen the development and financing of specific projects, including those that have utilized Home Funders resources. Prior to her consulting work, she was Director of Housing at the Somerville Community Corporation. Soni has a Master of Science in Architecture Studies from the Massachusetts Institute of Technology and a Bachelor of Architecture from the Sir J.J. College of Architecture in Bombay, India. With the hiring of an Executive Director, Home Funders hopes to give greater impetus to achieving its 10-year goal of creating 4,000 affordable housing units with 1,000 of those units for extremely low-income (ELI) families.

Working with Community Economic Development Assistance Corporation (CEDAC) and Massachusetts Housing Partnership (MHP) as its intermediaries, Home Funders has continued to be flexible and responsive to the current needs in the funding environment. In March 2011, Home Funders approved the use of its capital for a new product offered by CEDAC – bridge loans for Home Funders projects. There is a backlog of projects that have state commitments of bond financing but the financing will not be available until FY12 or beyond. For these “shovel-ready” projects, a bridge loan will allow them to start construction and to draw down on their commitment of state bond financing later in the construction period. As of April 2011, two affordable housing projects have been approved for Home Funders bridge loans and, as a result, have been able to start construction. The low-interest capital offered by Home Funders continues to be an incentive for the inclusion of ELI units in affordable housing developments, and demand for Home Funders capital has been picking up since the 3rd quarter of 2010, when projects were able to move forward with federal stimulus funding.

In Greater Boston and across most of Massachusetts, historically high rents show no sign of abating as vacancy rates for rental housing remain well below the national average. Subsidized housing plays a critical role in the well-being and stability of ELI families, so their very modest incomes can be put towards other necessities such as food, clothing and transportation. To date, Home Funders has financed a total of 2,121 housing units including 684 ELI units. We will continue to work with our colleagues and peers to raise additional funds as PRIs and grants for the production of additional ELI units in the Commonwealth.

Sincerely,



Geeta Pradhan
Chair, Home Funders Collaborative, LLC

53 Projects Across the State



2010 Project Openings

Home Funders helped to finance the following affordable housing projects, which opened in 2010. All of these projects are new construction.

Thomas Atkins Apartments, Roxbury



This Nuestra Comunidad Development Corporation project is comprised of 48 multi-family affordable apartments. The project was built on the site of the former Kasanof Bakery, which closed in the 1970s. The four-story brick rental apartment building includes one-, two- and three-bedroom units for individuals and families, as well as a community room. Ten units are set aside for families earning below 30% of AMI.

Having a \$1.5 million acquisition loan at 2% from Home Funders on the original acquisition price tag of \$2 million saved this project nearly \$500,000 during five years of delays caused by an unusually long community vetting process, unexpected environmental remediation and the collapse of the tax credit market in 2008.

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Thankful Chases, Harwich



The Lower Cape Cod Community Development Partnership (CDP) used a pre-development loan of \$96,500 from Home Funders to explore feasibility for the Thankful Chases project, which brings 12 units of affordable housing to Harwich, MA. Three of the units are designated for ELI families. On the Cape, affordable

housing is in short supply. Over the years, the CDP has brought 70 units of affordable housing to the eight communities of the Lower Cape.

Spencer Row, Chelsea



This Chelsea Neighborhood Developers project provides 32 affordable family apartments in Chelsea, MA, on the site of a vacant manufacturing building. A \$1.4 million Home Funders acquisition loan helped bring the project online. The complex includes one-, two-, and three-bedroom units. Four units

are rented to households earning up to 30% AMI. The building has a parking garage below three stories of housing. Design, construction methods, and materials all include sustainable and "green" elements. The site is located near four elementary schools, athletic fields, and playgrounds.

Olmstead Green I, Dorchester



This project, developed on the site of the former Boston State Hospital, is the work of Lena New Boston, a joint venture between Lena Park CDC and New Boston Development Partners, a for-profit developer. The first phase of Olmstead Green, this project includes a total of 51 rental apartments, with 21 ELI units. The

project includes one-, two- and three-bedroom units in nine four-story buildings. This project was made possible in part by a \$750,000 acquisition loan from Home Funders.



Transitional Services Grants

Home Funders recognizes the importance of transitional support for low income and homeless families as they move into new housing. Transitional services grants of \$1,500 per ELI family are awarded to non-profit developers of Home Funders projects with ELI units. Grants may be used for childcare, after school programs, transportation, counseling, job training, budgeting help or other expenses to help insure families' successful and sustained move to permanent housing.

Resident Story

Carmen Maldonado suddenly found herself living in a homeless shelter after an unexpected split with her children's father. While she works as a homemaker, she was just not making enough money to pay for market rate housing for herself and her two young children.



In March 2010, Ms. Maldonado and her daughters, Luineli age 7, and Yandelin age 5, moved into the Palmer Cove development. A transitional services grant from Home Funders made it possible for her to buy furniture and cooking essentials for

her new apartment. Built by the North Shore CDC, the project was supported by \$150,000 in permanent financing from Home Funders and includes three units for extremely low-income families. When Ms. Maldonado qualified for one of these units, she was so relieved to be moving into a "beautiful and clean apartment." The shelter stay was an extremely humbling experience and one she hopes will never happen again. Now her daughters have their own room again, and Carmen says she feels safer and enjoys the privacy she has. Ms. Maldonado is also participating in the North Shore Community Action Program's stabilization initiative which provides a case manager to help families determine their needs, access community resources and develop a support network. Ms. Maldonado also hopes to explore training opportunities that will benefit her family.

Photo by Jason Pina, North Shore CDC Staff

Overall Statistics

Total Funding Raised **\$22,437,500**

Total Projects Financed Since 2003 **53**

NUMBER OF AFFORDABLE/ELI UNITS FINANCED

Year	Total Units	ELI Units
2003-2009	1,578	454
2010	543	230
Total 2003-2010	2,121	684

2010 Financials for the Home Funders Collaborative LLC*

Income

Interest Income \$149,920

Expenses

Provision for loan losses (\$428,358)

Interest expense \$150,823

Net Loss** **\$427,455**

Member interests, beginning of year **\$15,111,992**

Loans \$150,000

Loan repayments (\$1,000,000)

Capital account redemption (\$2,500)

Member interests, end of year **\$14,686,947**

*The LLC contains the loan funds. Modest operating funds supported by foundation grants are accounted for separately. As of the end of 2010, the \$9.15 million committed to CEDAC has revolved, totaling \$20.8 million devoted to Home Funders' projects through CEDAC to date.

**The net loss is due solely to the accounting provision for potential loan losses.

For more information on Home Funders, please contact Executive Director, Soni Gupta, by email at sgupta@homefunders.org or by phone (617) 510-4559. Visit our website at www.homefunders.org.