

20 years 20 stories



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The Advisory Council of the Federal Home Loan Bank of Boston was organized in 1990. Appointed by the Bank's board of directors, the council is made up of representatives of housing and community-development organizations throughout New England. Each of the six New England states is represented on the council, which meets quarterly. Both as a body and through special committees, the council advises the Bank and its board on the administration of its special programs for housing and community development.

From the Chair

THE YEAR 2009 was a challenging one for the affordable housing industry and the Federal Home Loan Bank of Boston's Affordable Housing Program (AHP). Unlike 2008, when the Bank provided over \$49 million in grants and subsidized advances to fund housing initiatives across the region, the 2009 AHP and Equity Builder Program (EBP) offered a more modest level of support.

Although funding for the 2009 programs was limited, the Bank's Advisory Council, board of directors, and Housing and Community Investment Department made a determined effort to continue the programs. Recognizing the small pool of resources available to the AHP in 2009, the Advisory Council recommended priorities for the awarding of grants and subsidies to initiatives that were most ready to proceed.

In 2009, the Bank approved over \$3 million in grants and subsidized advances to support 10 affordable initiatives. These projects will provide 79 affordable homes for New Englanders and join the other 22,321 units that have been funded in previous years. In addition, 50 member institutions were approved to access the EBP's \$1 million grant pool to provide down-payment and closing-cost assistance to very low- to moderate-income home buyers.

Member financial institutions also received approval for \$829.1 million in Community Development advances to help finance 3,215 units of housing and 58 economic-development or

mixed-use initiatives. The Bank's New England Fund approved more than \$37.0 million to finance seven initiatives to create a total of 697 units, 219 of which will be affordable to households earning at or below 80 percent of the area median income.

As in years past, the Bank provided important educational and networking opportunities for members, developers, and local governments by sponsoring forums on Low Income Housing Tax Credit investing and business opportunities available through the Housing and Economic Recovery Act's Neighborhood Stabilization Program. In addition, the Bank's Housing and Community Investment Department held focus groups for members and regional housing developers to assess the challenges facing key stakeholders in developing affordable housing in the region.

In 2009, the board's housing and community development committee played an active role in Advisory Council activities, briefing the council on the election of independent board directors and other housing and community-development concerns. The council and the committee also discussed strategies to help the region's housing finance agencies meet their liquidity needs through expanded use of Bank funding.

In an effort to strengthen the 12 Federal Home Loan Banks' housing mission, the Federal Housing Finance Agency — the Bank's regulator — renewed a past practice of convening an

annual meeting of the chairs and vice chairs of the Advisory Councils of the 12 Federal Home Loan Banks. Council Vice Chair David Wood and I met with our counterparts in Washington, D.C. to discuss issues of concern to Federal Home Loan Bank housing programs nationwide.

The AHP reached another notable milestone in 2009, completing its 20th year of providing much-needed financial assistance to affordable housing developers across New England. Over the years, the AHP has become a key ingredient of affordable housing in small towns and urban neighborhoods throughout the region.

The 20 stories that follow suggest the impact that 22,419 units of AHP-funded housing have had on the lives of countless New Englanders since the program's inception in 1989. It's an impact that was recently recognized by the National Housing Conference in naming the AHP Housing Program of the Year for 2010. The Bank and the Advisory Council are confident that the role the AHP has so effectively played in regional housing over the last 20 years will strengthen and flourish in the years ahead.

Sincerely,



Diane Randall
Chair of the Advisory Council



20 years

View from Park Terrace II apartment.

SINCE THE INCEPTION OF THE AFFORDABLE HOUSING PROGRAM (AHP) in 1990, the Federal Home Loan Bank of Boston has committed more than \$354 million to fund 22,419 units of affordable housing in the region. Add to that the new jobs, business activity, and tax revenue associated with AHP initiatives, and the result is a wheel of benefits for communities across New England.

AHP-funded projects have created attractively designed new housing, preserved historic buildings, reinvented downtown commercial buildings, revived abandoned mills and schools, and supported sustainable, energy-efficient construction.

Over the years, the lives of thousands of New Englanders have been transformed by AHP-funded rental and ownership housing. Growing families, seniors, veterans, homeless men, women, and children, women recovering from domestic violence, residents with developmental disabilities, people struggling to overcome debilitating addictions, all have found quality housing and much-needed services in AHP-funded initiatives.

20 stories

For the last 20 years, the AHP has provided key support for nonprofits working tirelessly to improve, renovate, and revive New England communities. Guided in it's early years by the experience and expertise of David Parish and current board member John Eller, the AHP has brought together innovative developers with member financial institutions dedicated to increasing affordable housing in their communities.

The 20 stories that follow offer only a glimpse of what AHP housing has meant for New England over the last 20 years. As the AHP embarks on its next 20 years, we remain dedicated to building strong New England communities where quality housing is available to everyone who needs it.

Catherine MacKinnon, Executive Director,
Mutual Housing Association of Greater Hartford, Inc.,
4 AHP Awards 1995 to 2000, Park Terrace II, Hartford,
Connecticut, Member: Webster Bank, N.A.



THE FROG HOLLOW neighborhood was going through a lot of changes. There was a big increase in gang activity and a lot of people moved out of the neighborhood. Many buildings on the block adjacent to our Park Terrace I project were abandoned.

We decided if we were going to do Park Terrace II we needed to develop the whole block. We acquired 19 properties from 17 different owners and created large three-bedroom apartments designed for families. We have very low turnover and are able to rent these apartments at \$500 to \$600 below market. The project has had a huge stabilizing effect on the neighborhood.

The financing for the deal was incredibly complicated. By using the AHP subsidized advance and grant we were able to keep down our overall debt service and help cover the funding gap typical of Low-Income Housing Tax Credit projects. Projects like this one would never get done unless we had people who could understand the big picture. Webster Bank was one bank that was able to do that.

Anneska Torres, Resident, Park Terrace II

\$250,000 grant; \$4.18 million subsidized advance



I'VE BEEN LIVING in Park Terrace II for six years now. I have 10-year-old twins and a 13-year-old son. When my mother came to live with us a year and a half ago, I thought it was going to be hard to adapt the space for another person, but we were able to make the transition without a lot of moving around.

To find an affordable apartment with three bedrooms, two full baths, a dining room, kitchen, and a family room is really hard. The Park Terrace apartments are designed to meet the space needs of families with young children.

Paying only \$790 for an apartment this size would be hard to find anywhere else. Park Terrace gives families like ours the opportunity to live in an apartment that fits our needs at a price we can afford. It's the next best thing to buying a house.

Mutual Housing is also developing a leadership academy to help residents become better community leaders. Park Terrace isn't just the housing. We have a real community here. Living here has been a real blessing for us.



Pam Feingold, Senior Vice President/
Community Development Lending,
Wainwright Bank & Trust Company,
3 AHP Awards for Victory Programs

WE'VE HAD A relationship with Victory Programs for more than 20 years. Jonathan Scott, the executive director, is our hero, a real visionary. He is compassionate, smart, and understands the business. Everyone here at the bank thinks the world of him.

Victory Programs provides housing not only for homeless people but also for people suffering from drug and alcohol addiction, mental illness, and HIV. We have been involved with Victory almost every step of the way as they've grown and expanded. Whenever they needed financing, they came right to us.

Victory's AHP-supported projects would not have got off the ground without AHP funding. For their Victory House project, they were awarded an AHP subsidized advance, which provides incredible stability. We try to be as reasonable in our pricing for nonprofit borrowers as possible, but it's still hard for them to bring down the interest rate without a subsidized advance.

We work side by side with the Federal Home Loan Bank of Boston to put these deals together. We talk through the process, decide what makes sense and what doesn't. We work with the Bank not only as a funding source, but also as a financial partner.

Jonathan Scott, President and Chief Executive Officer, Victory Programs, Boston, Massachusetts, 4 AHP Awards 1993 to 2003, Most Recent, Victory House, \$500,000 Subsidized Advance, Wainwright Bank & Trust Company



VICTORY PROGRAMS WAS founded in 1975 to provide housing for homeless Vietnam War veterans — many addicted to drugs or alcohol — and for people who fell through the cracks following the closing of area mental health hospitals.

We made a commitment early on that no one should be turned away from our housing and health care, no matter what their circumstances or history. As landlords and health-care providers we try to respond with patience to difficult behaviors. We believe that a substance-abuse relapse should not necessarily be a reason for eviction.

We have 20 sites throughout Greater Boston, and each one is unique. We let the needs of the community define the kind of programs we develop. We founded some of the first housing programs for homeless women and children, and for people with AIDS.

I have been working for Victory Programs since it opened its first home in Boston's South End. It's hard to quantify miracles, but I have seen many since I've been here. I have watched many individuals and families enter our programs and get the boost and stability they need to make monumental changes in their lives.



\$18,000 grant

Serena Herd, Resident, Re-Vision House II, Boston, Massachusetts, Victory Programs

I HAD BEEN living with my two daughters in a motel in Malden before I arrived here. I was pregnant with my son and finding it hard to juggle three jobs while caring for my children.

If I hadn't come to Re-Vision House, I'm sure I would have been homeless. I learned a lot about myself while I was here. I learned good parenting skills and started eating healthy food again.

In the spring of 2009 I volunteered to work at the Urban Farm here. Two months later I was offered a permanent position as assistant grower. I am so grateful to Victory Programs for offering me this job and for providing a home for me and my children for over a year.

I'm living in an affordable apartment in Dorchester now. Along with my full-time job I work part-time at a detox center. It gives me real pleasure to help people who are coming off drugs and alcohol — especially since I've seen the effects of this in my own family. I like helping others because helping others helps me.

Kenneth Willis, Vice President/Director of Housing and
Community Investment, Federal Home Loan Bank of Boston



EVERY DAY ON my way to high school I used to walk by an abandoned building in Roxbury's Dudley Square. I'd look at that awful building and say to myself: When is someone going to revive that property?

In 2005, a nonprofit organization called Nuestra Comunidad decided to do just that, creating 60 new units of housing in the former Dartmouth Hotel building. It so happens that the AHP provided a grant and subsidized advance to help finance the project. Today, the Dartmouth is thriving. It's a gateway to Roxbury and an anchor for reinvestment in the square.

There are easily seven or eight other AHP projects nearby that have also contributed to the economic revival of that community. AHP investment has leveraged new tax revenue and jobs in the community. Shops that were closed have reopened. Buildings that were abandoned and boarded-up have been rehabilitated.

Now imagine that investment being replicated in rural and urban neighborhoods across New England. The AHP's impact on New England and the important role it plays in the nation's housing finance system can't be overstated.



Lucie Searle,
Development Manager, AS220,
3 AHP Awards 1993 to 2008

DOWNTOWN PROVIDENCE WAS a commercial crossroads before it went into decline in the 1970s. In recent years, buildings that started life as hotels, banks, offices, or department stores have been converted to housing on the upper floors. In the last decade, upwards of 600 units of housing have been created in our downtown.

The first downtown building we restored created 12 affordable residences for artists on Empire Street. Having residents living in what was once a vacant building brought incredible stabilization to the neighborhood and led to the restoration of several vacant buildings nearby.

In 2005 we restored the vacant Dreyfus Hotel Building to create 14 studio apartments for artists, and in 2009 we began work on the adjacent Mercantile Block to create an additional 22 affordable studio apartments for artists.

The AHP has been pivotal to each of our downtown projects, providing us with extraordinary grant funding and subsidized advances to help us secure affordable long-term mortgages. Most of our artists do not make very much money from their art. AS220 housing allows them to pursue their art and still be able to afford to live in decent housing downtown.

David Cicilline,
Mayor of Providence

THE CITY OF Providence invested \$1.6 million in the Mercantile Block project in downtown Providence. It's our third downtown collaboration with AS220 — one of the city's great arts organizations.

The Mercantile Block combines support for the city's rich arts community, affordable housing, and the renovation of a wonderful downtown building.

The Mercantile is a great example of the momentum underway to revive this important part of our city. The project will have 22 affordable apartments, artist studios, a restaurant, and new retail and office space. People are living and working in downtown Providence now. I think what is happening downtown can be a model for the transformation of other New England downtowns.

The AHP has provided funding for all three of AS220's downtown projects. These deals require public money, investment from the city, and investment from institutions committed to Providence. Without partnerships like the one we have with the Federal Home Loan Bank of Boston we wouldn't have been able to do these projects.





Larry Sharp, Executive Director,
Merrimack Valley Habitat for Humanity,
7 AHP Awards 1997 to 2007

LAWRENCE IS THE poorest city in Massachusetts. The level of homeownership here is very low and the unemployment rate is very high. Drugs and gangs are a problem in many of these neighborhoods. The need is great here, so it's a place where we really need to be.

After we built one of our houses, a private developer came in and built a duplex nearby. I guarantee you that house would not have been built if we hadn't carved out the first real change in the neighborhood.

One of our Habitat families was living in an illegal attic apartment, cooking with a hot plate and washing dishes in the bathroom. The daughter is now going to medical school and the son will graduate this year from Essex Aggie in Danvers. Getting them into a house makes me feel good about what we're doing here. It's terrific to see the kids go to school, do well, and get off to a good start. When you look around Lawrence there are so many chances to go wrong. If we can change a few outcomes, I feel like we have done an awful lot.

The AHP is an extraordinary program. AHP grants (of \$25,000 or less) represent a significant chunk of what it costs us to build a house. What's unique is that the grant is credited to the homeowner who can buy the house at a \$25,000 discount. Our AHP grants really enable us to build homes that people can afford.



Miguel Lopez-Pantoja, Homeowner,
Merrimack Valley Habitat for Humanity

IT WAS PRETTY amazing to build our own Habitat house. I would finish work at the end of the week and look forward to coming here on Saturday to work on our house. I did the roofing, the flooring, a lot of stuff. I loved it! I was building something for the future of my family.

Many people donated time to help us build this home. Some people can't wait to win the lottery; some people think the American dream means having a nice car. But for me, having this house is like winning the lottery; having this house is my American dream. I don't know how to say it — I'm just really grateful!

If I have the time on Saturdays now, I help other people build their homes. Some people might not have a brother or a cousin to help them bang that last nail. If I'm tied up with my landscape business I may not go, but most of the time you will see me there.



Patrick E. Clancy, President and Chief Executive Officer, The Community Builders, Inc., 15 AHP Awards 1994 to 2008, Board Member, Federal Home Loan Bank of Boston

I BEGAN MY association with the Federal Home Loan Bank of Boston 20 years ago when I was asked to serve on the Advisory Council. My relationship with the Bank has deepened over the years to the point where I now serve as a public-interest director on the Bank's board.

In its first 20 years, the AHP has grown from being a small player in affordable housing to taking on a much larger and more essential role. There's been a maturation of the engagement of the institution in affordable housing that I think will continue to grow in the future.

A key to the success of the AHP has always been the Advisory Council – a group of experienced housing and community-development professionals from diverse New England communities who help keep the AHP closely connected to the everyday world of affordable housing.

As the AHP celebrates its 20th anniversary, the Bank's commitment to housing remains strong. At a time of limited earnings, the Bank is advancing \$5 million in funding to support a 2010 AHP round, reflecting just how dedicated the Bank's board and management are to continuing the AHP's important role in regional housing.

David Parish, Retired Senior Vice President, Housing and Community Investment, Federal Home Loan Bank of Boston

FROM THE BEGINNING, we decided to market the AHP to both nonprofit housing developers and member financial institutions. This was at least partly due to my background in the nonprofit community and my understanding of its needs.

It became clear early on that the AHP couldn't work effectively without encouraging a partnership between nonprofits and financial institutions. The member institutions couldn't develop housing and the nonprofits didn't have the dollars and financing mechanisms to carry out their projects alone.

One of the best things to come out of these partnerships was that they became institutionalized. The two groups are comfortable working with each other now and together have crafted projects that fit well into their communities.

My one disappointment is that we still have an uphill battle to get communities to understand the value of well designed, developed, and managed affordable housing. There is still too much local resistance to this housing. People too easily forget that many of the people who do important jobs in their communities can't afford to live in them.

Hin Sang Yu, Resident, Oak Terrace, Boston Chinatown



WE IMMIGRATED TO the United States in 1989. Six years later we moved to Oak Terrace. Over the years, 10 members of my family have lived in this four-bedroom apartment. My two daughters, my two sons, and their children all have lived here at different times.

We were living in Allston when we heard that Oak Terrace was opening. We applied right away because we wanted to live in Chinatown, which is close to a hospital, services, restaurants, and stores. It's the most convenient place for new immigrants because many people here speak Chinese and it's close to everything we need. For nine years, my daughter and her husband have owned a hair salon in Chinatown, so it's very convenient for them to live here.

We try hard to take care of the apartment, the countertops, the floors, everything. We keep it neat and clean. We treat it as if it were our own property. Every week everyone in the family comes here to have dinner. Coming to live here was one of the best decisions I have ever made. We don't think about living anywhere else now.

Jeffrey Wong, Board Member,
Asian Community Development Corporation, Oak Terrace 1992

\$250,000 grant; \$250,000 subsidized advance



WHEN WE STARTED taking applications for Oak Terrace in 1995, the line stretched around the block. We had about 400 applicants for 88 apartments. We built Oak Terrace because the need for affordable housing in Chinatown was so great.

We designed Oak Terrace to reflect the spirit of the community. In old Chinatown, the front doors of many apartments open onto the street, and we wanted Oak Terrace to have that same feature.

The Asian Community Development Corporation (ACDC) was created in the late 1980s to build housing on the Oak Terrace site. The board was made up of people who had grown up in the neighborhood. I joined ACDC because I was interested in housing and was raised in Chinatown. I still run a business — Shanghai Printing — here.

In those early days we learned how to develop housing simply by doing it. Oak Terrace was one of the first projects in the country to use Low Income Housing Tax Credits.

Today, Oak Terrace plays an important role in the Chinatown community, allowing people who don't earn a lot of money to live in a nice apartment in a community where they feel comfortable.

Doris Freeman, Resident,
Little Falls Landing,
South Windham, Maine,
Sponsor: Avesta Housing
Member: Gorham Savings Bank

MY HUSBAND AND I met in South Windham when we were teenagers. We raised six kids just up the street from here. After our kids had grown up we sold our house in South Windham and bought a trailer in Westbrook.



But it got to the point where we no longer could afford the trailer rent and mortgage. My daughter kept saying, 'You ought to put your name in for senior housing.' I said, 'No, I'm not ready.' But then I heard they were building Little Falls Landing and I said, 'That's where I want to go.'

We got out from under the trailer and came here. We didn't make anything on it but we're happy with our decision to sell it

when we did. At Little Falls Landing, we have a nice apartment in our old neighborhood and our daughter lives just up the street.

One of our neighbors here used to run the store down the street. A lot of people have changed in South Windham, but some of the old people are still around. It's nice coming back to our hometown. We made a complete circle, and we don't plan on going anywhere.



Dana Totman, President
and CEO, Avesta Housing,
8 AHP Awards 1992 to 2007

Matthew W. Early, Senior Vice
President, Gorham Savings
Bank

Debora Keller, Director of
Development, Avesta Housing

DANA TOTMAN: GORHAM Savings Bank is the only bank with headquarters in Cumberland County, so their roots are here in our community. They often expand their role in AHP projects to include construction and permanent financing. We also have a significant deposit relationship with the bank. Gorham is a consistent investor in tax credits, so they are here for the long haul, in good times and bad.

MATTHEW EARLY: Participation in the AHP has enhanced our business relationships with Avesta and its staff. Even applications that don't receive awards enhance that relationship. My involvement with the AHP has helped me grow as a banker.



Little Falls Landing,
\$300,000 grant

It has provided me with many new business opportunities and broadened my view of the community we serve.

DEBORAH KELLER: Gorham embodies the spirit of community banking. When I know Matt is going to be my contact for a particular project, I know I won't have to go to a Cleveland office or through multiple layers to reach him. Toward the end of the Little Falls Landing project we ran up against a cost limit. If it weren't for Gorham stepping in to sponsor the AHP application, we wouldn't have had that critical last piece of financing. It illustrates the value of our community partnership.



Sophie's Place, Burlington, Vermont,
 Burlington Housing Authority,
 2 AHP Awards 2006 to 2008,
 Member: Merchants Bank

Courtney O'Connor and
 Hilary Nicholas-Alexander,
 Women Helping Women; Matt Ham-Ellis,
 Burlington Housing Authority

COURTNEY: Sophie's Place provides transitional housing for survivors of domestic violence. We provide emotional support for the women and children who come here. We help them with parenting skills and housing and job searches. Our goal is to help them become self sufficient - to have a place of their own and feel confident in everyday decision making.

HILARY: When moms first get here I talk with them about things they weren't able to do with their abusive partner. I ask them what kind of mom they want to be. With the kids I talk about self-regulation and safe ways to express their emotions when they get upset. Witnessing their mom being abused is very traumatic and confusing for kids.

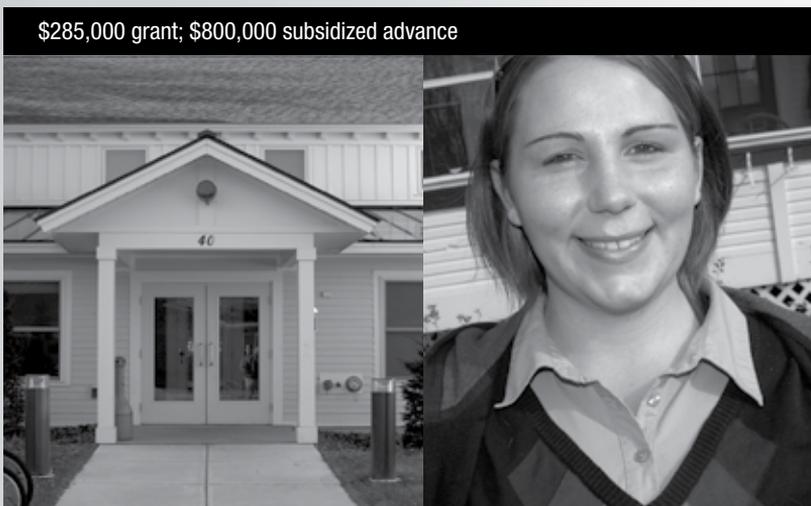
MATT: The Burlington Housing Authority partnered with Women Helping Women to build Sophie's Place. When the women who spend time here are ready to leave, they can use their Section 8 voucher to find affordable housing in the community. The voucher and the supportive services are really what make this program so effective.

Angie Menard,
 Resident,
 Sophie's Place

MY CHILDREN'S FATHER was abusive. When I made the leap to leave him after 13 years, I pretty much destroyed everything I had. I lost my housing. I lost everything I owned. I went from place to place to try to maintain housing, but it wasn't easy. I got evicted from one place because I couldn't afford the rent.

This program honestly saved my life. It gave me a chance to make a positive change and I ran with it. Hilary is my mentor. She helped me through a lot of bad things. I found out who I really am and what I really want from my life. I found out that I can't let somebody else tell me who I am. She listens to what I have to say and makes suggestions.

Living here means so much to me. When you are homeless with a five-year-old and a seven-year-old there is nothing you wouldn't do to get housing. My children have been through a lot and have problems in school because of it. This is the first sense of stability they've had in a long time, and they love it.





Keith F. Thibault,
 Chief Development Officer,
 Southwestern Community Services,
 Inc., 8 AHP Awards 1995 to 2008

WE BUILD HOUSING that reflects the rural character of New Hampshire communities. Southwestern provides affordable housing for a population that often doesn't have many housing choices. Housing is very expensive in New Hampshire, even on the rental side.

Our developments are viewed as an asset in our communities because they are built to the size and scale of each community. Each of our developments has a Community Development Block Grant associated with it, so it's vital for us to maintain strong, value-added relationships with the communities we serve. If we build housing that works well in community A, community B will be more likely to support us when we want to build new housing in that community.

East Side Senior Housing, Keene,
 New Hampshire, T.D. Bank, N.A.,
 \$160,000 grant, 1999; Railroad Square
 Senior Housing, People's United Bank,
 \$200,000 grant, 2007

Nearly half of our portfolio has AHP funding. We use those AHP awards as leverage when we go to the bank. Because the kind of smaller developments we do may not attract as much Low Income Housing Tax Credit equity as larger ones, AHP awards have become especially critical to what we do.

Helen Mckenzie,
 Resident,
 East Side
 Senior Housing,
 Keene,
 New Hampshire

WE LIVED ABOVE our small store and gas station on Route 9 in Sullivan. The state said we had to replace our gas tanks, but we couldn't afford to do it.

We filed for bankruptcy and eventually lost our home and business. We left Sullivan and stayed in a motel in Keene because we didn't have anywhere else to go.

I went to Southwestern for help and walked right into Kelly, who I knew from Sullivan because she was the sheriff's daughter. She said: 'I've got a building. It's brand new.' We moved in when some of the apartments weren't even finished.

Six years ago my partner died and I was living here alone when I met Elmer. I was going down the hall and he was going down the hall. We used to sit in this computer room every day at about four o'clock. We talked and then started going out. One night we would go to my apartment and the next night we'd go to his. We have been together ever since.



2009 Affordable Housing Program Approvals

Amherst, Massachusetts
 Easthampton Savings Bank
 Pioneer Valley Habitat
 for Humanity
 2 ownership units
 \$59,924 grant
 Amherst College Initiative —
 Phase 2

Fall River, Massachusetts
 Bridgewater Savings Bank
 Community Care Services, Inc.
 17 rental units
 \$340,000 grant
 Eagle Street

Gardner, Massachusetts
 Fidelity Co-Operative Bank
 Veteran Hospice Homestead, Inc.
 20 rental units
 \$500,000 grant
 Northeast Veteran Training &
 Rehabilitation Center

Kingston, Massachusetts
 RBS Citizens, National Association
 Habitat for Humanity of
 Greater Plymouth
 1 ownership unit
 \$28,829 grant
 Grove Street Project

Newton, Massachusetts
 The Village Bank
 Citizens for Affordable Housing
 in Newton Development
 Organization, Inc. (CANDO)
 2 rental units
 \$50,000 grant
 Veteran House

Oxford, Massachusetts
 Southbridge Savings Bank
 South Middlesex Opportunity
 Council, Incorporated (SMOC)
 16 rental units
 \$539,416 grant and subsidy,
 \$300,000 advance
 266 Main Street

Springfield, Massachusetts
 Bank of America Rhode Island,
 N.A.
 Springfield Neighborhood
 Housing Services, Inc.
 3 ownership units
 \$90,000 grant
 Pendleton Avenue

Ellsworth, Maine
 Camden National Bank
 Community Housing of
 Maine, Inc.
 8 rental units
 \$338,000 grant
 Cindy Cookson House

Vinalhaven, Maine
 Camden National Bank
 Community Housing of
 Maine, Inc.
 6 rental units
 \$100,000 grant
 Hillside Apartments

Bristol, Vermont
 National Bank of Middlebury
 John Graham Shelter
 4 rental units
 \$174,933 grant and subsidy,
 \$115,000 advance
 Mountain Street Transitional
 Housing



Please note that while the information presented was accurate at the time the AHP awards were made, the member institution and sponsor affiliated with an approved initiative may have since changed. AHP funding may have been deobligated if an approved initiative did not adhere to eligibility criteria. A list of initiatives approved might not include those that were funded as alternates.

Grants and Subsidized Loans for Affordable Housing

THE AFFORDABLE HOUSING PROGRAM — Since its inception in 1990, 811 affordable-housing initiatives have been approved for funding through the Federal Home Loan Bank of Boston's Affordable Housing Program (AHP).

In 2009, the Bank approved over \$2.6 million in grants and subsidies for advances (loans) to support an additional 10 initiatives.* Once completed, these projects will provide an additional 79 affordable homes for New Englanders and will join the other 22,321 units that have been approved for funding.

In the past 20 years, through 2009, the Bank has committed \$185 million in subsidies and more than \$169 million in low-interest loans to affordable-housing initiatives in the region.**

The AHP allows the Bank to address, in partnership with member institutions, the affordable-housing needs of communities across New England. Generally, 10 percent of the Bank's net earnings subsidizes the program, which awards grants and low-interest advances through member institutions.

The program encourages local planning of affordable-housing initiatives. The Bank's member institutions work with local housing organizations to apply for funds to support initiatives that serve very low- to moderate-income households in their communities. Each year, funding for



projects submitted to the AHP by member institutions is awarded competitively.

The initiatives approved in the 2009 funding round are listed on page 17 of this report.

The AHP funds the direct costs and related soft costs for the acquisition, construction, or rehabilitation of:

- **Ownership Housing:** Including single-family houses, subdivisions, cooperatives, condominiums, and down-payment and closing-cost assistance.
- **Rental Housing:** Including multifamily rental housing, single-room-occupancy housing, supportive or special-needs housing, mutual housing, and mobile-home parks.

AHP Income Guidelines: Ownership housing affordable to households with incomes up to 80 percent of the area median family income. Rental housing in which at least 20 percent of the units are for households with incomes that do not exceed 50 percent of the area median income.

* Please note that all figures provided are accurate as of the close of the 2009 AHP round. AHP funding may have been deobligated if an approved initiative did not adhere to eligibility criteria. This total also does not reflect initiatives approved and funded as alternates.

** These figures represent the units and subsidy outstanding as of yearend 2009 net of deobligated AHP funds and including initiatives that were funded as alternates.

Grants that Bring Buying a Home Within Reach

THE EQUITY BUILDER PROGRAM — The Federal Home Loan Bank of Boston's Equity Builder Program (EBP) offers members grants to provide households earning no more than 80 percent of the area median income with down-payment, closing-cost, home-buyer counseling, and rehabilitation assistance. Members may also use EBP grants to match eligible buyers' savings. Members are required to use the first one-third of their allocation to fund first-time home buyers.

Member institutions first apply to participate in the EBP. In order to participate, members originate the buyer's first mortgage and work with an experienced, qualified home-buyer counseling agency to offer buyers homeownership education. The counseling program must include pre- and post-purchase counseling as well as a financial literacy component alerting buyers to the characteristics of predatory lending. Members must also provide buyers with concessions, including waived or reduced fees, or a reduced interest rate (a rate below that for a standard, conventional market-rate mortgage), relaxed underwriting standards, or down-payment assistance or other cash contribution made by the member at closing.

Mortgage loans originated with EBP grants may be sold through the Bank's Mortgage Partnership Finance® (MPF®) program, provided that the mortgages and home owners continue to

meet the retention requirements of the EBP.

In July of 2009, 50 members were approved to access the EBP's \$1 million grant pool.

Members eligible to participate in the 2009 program are listed below by state.

The EBP may be used to provide up to \$10,000 per eligible buyer for:

- Down-payment assistance.
- Closing-cost assistance.
- Payment of rehabilitation costs associated with acquisition.
- Payment of counseling costs not covered by another funding source. However, any EBP funding used to cover the cost of home-buyer counseling must flow directly to the counseling agency providing the education.

And in conjunction with any of the above,

- Supplementing a home buyer's savings through an Individual Development Account (IDA) or matched-savings program.

EBP Income Guidelines: Home buyers with incomes no more than 80 percent of the area median family income.

2009 EBP Participants

Connecticut

Dime Bank
 Liberty Bank
 Litchfield Bancorp
 Northwest Community Bank
 People's United Bank
 Savings Bank of Danbury
 Thomaston Savings Bank
 Windsor Federal Savings & Loan Association

Maine

Bangor Savings Bank
 Bath Savings Institution
 Camden National Bank
 Kennebec Savings Bank
 Kennebunk Savings Bank
 Norway Savings Bank
 Saco & Biddeford Savings Institution

Massachusetts

Boston Private Bank & Trust Company
 Bristol County Savings Bank
 Citizens-Union Savings Bank
 Dedham Institution for Savings
 Enterprise Bank and Trust Company
 Fall River Five Cents Savings Bank
 Florence Savings Bank
 GFA Federal Credit Union
 HarborOne Credit Union
 Hoosac Bank
 Legacy Banks
 Metropolitan Credit Union
 Millbury Federal Credit Union

Pentucket Five Cents

Savings Bank
 PeoplesBank
 Randolph Savings Bank
 Savers Co-Operative Bank
 St. Mary's Credit Union
 The Bank of Canton
 Webster Five Cents Savings Bank
 Williamstown Savings Bank

New Hampshire

Connecticut River Bank, N.A.
 Mascoma Savings Bank, SFB
 Northway Bank
 RBS Citizens, National Association
 Woodsville Guaranty Savings Bank

Rhode Island

Bank Rhode Island
 Washington Trust Company

Vermont

Community National Bank
 Heritage Family Federal Credit Union
 National Bank of Middlebury
 NorthCountry Federal Credit Union
 Northfield Savings Bank
 Opportunities Credit Union
 Passumpsic Savings Bank



LIKE THE AHP, Community Development advances and the New England Fund support affordable-housing initiatives across New England. But unlike the AHP, both can also be used to fund economic-development or mixed-use initiatives. Both programs provide member institutions with favorably priced loans to support affordable-housing or community-development initiatives that meet program guidelines.

COMMUNITY DEVELOPMENT ADVANCES — Whether a community needs capital for small businesses, fixed-rate financing for affordable housing, or improvements to local roads or schools, members can turn to the Federal Home Loan Bank of Boston's Community Development advances.

In 2009, members received approval for \$829.1 million in Community Development advances to help finance 3,215 units of housing and 58 economic-development or mixed-used initiatives. Since 1990, the Bank has approved \$10.1 billion in Community Development advances (and the Community Investment Program advances they replaced) to fund 58,441 units of housing and 794 economic-development or mixed-use initiatives.

THE NEW ENGLAND FUND — The New England Fund (NEF) provides member financial institutions with advances to support housing and community-development initiatives that serve moderate-

income households and neighborhoods. The NEF serves a broader range of moderate-income households than the Community Development advance and provides special flexibility for mixed-income residential development.

In 2009, the Bank approved more than \$37.0 million through the NEF to finance seven initiatives that will create a total of 697 units, 219 of which will be affordable to households earning at or below 80 percent of the area median income. Since 1990, the Bank has approved \$8.3 billion under the NEF to finance the construction or rehabilitation of 20,629 housing units.

Community Development advances and the New England Fund support loans for the acquisition, refinancing, construction, or rehabilitation of:

- **Ownership and Rental Housing:** Including single-family, cooperative, condominium, single-room-occupancy, and multifamily housing.
- **First-Time Home-Buyer Programs or Residential Lending Programs Targeted to Eligible Households.**
- **Economic Development:** Including loans or lending programs for small businesses; social-service or public-facility initiatives; infrastructure improvements; and retail, commercial, industrial, or manufacturing spaces.
- **Mixed-Use Initiatives:** These advances can also be used to fund initiatives that involve a combination of housing and eligible economic development.

Community Development Advance Income Guidelines: Housing that benefits individuals or households with incomes no more than 115 percent of the area median family income. Economic development that creates or retains jobs for workers with annual salaries no more than 115 percent of area median income for a rural initiative or 100 percent of area median income for an urban initiative; that benefits households or neighborhoods with incomes no more than 115 percent of area median income for a rural initiative or 100 percent of area median income for an urban initiative; or that is located in a Native American area, a Champion or Enterprise Community, an Empowerment Zone, a brownfield, an area affected by the closing of a military base, or a state-declared or federally declared disaster area. Mixed-use initiatives must meet the eligibility requirements for economic-development initiatives.

New England Fund Income Guidelines: Housing that serves residents earning at or below 140 percent of the area median family income or under certain state programs that targets between 20 and 25 percent of its units to households earning no more than 80 percent of the area median family income. Economic developments that benefit households or neighborhoods with incomes up to 140 percent of the area median family income.

2009 Grants for New England Partnerships

The 2009 Program

Through its Grants for New England Partnerships (GNP) program, the Federal Home Loan Bank of Boston awarded \$1,000 to nonprofit organizations on behalf of member institutions who submitted and disbursed a CDA application for the first time in 2009; or \$2,000 to nonprofit organizations on behalf of member institutions who submitted and disbursed a CDA application supporting lending opportunities that will help keep homeowners in their homes.

In 2009, the Bank awarded a total of \$25,000 in grants to 23 nonprofit organizations on behalf of 21 member institutions.

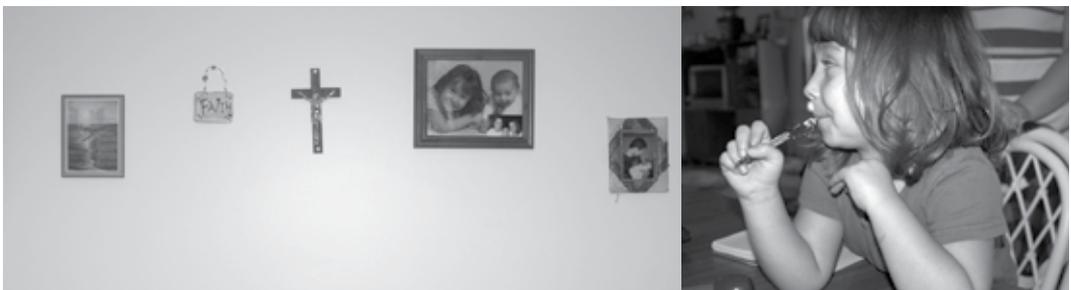
2009 GNP Recipients

Nonprofit

Jobs for Maine Graduates
 Androskoggin Habitat for Humanity
 Salvation Army
 Dorchester House Multi-Service Center
 Allston Brighton Community Development Corporation
 Lorraine's Soup Kitchen & Pantry, Inc.
 Katie Brown Educational Program and SMILES
 Turning Points Network
 Brockton Interfaith Community
 Mobius, Inc.
 Realty Endeavors for Affordable Community Housing (REACH)
 Franklin County Community Development Corporation
 Haverhill Salvation Army
 Greater Holyoke YMCA
 Senior Center at Lower Village
 United Way of Kennebec Valley (Heat Helpers' Fund)
 United Way of Northwest Connecticut (on behalf of Northwestern Connecticut YMCA only)
 Our Neighbor's Table
 TEAM, Inc.
 York County Shelter Programs, Inc.
 Pawcatuck Neighborhood Center and Westerly Area Rest Meals (W.A.R.M.)

Member

Androskoggin Savings Bank
 Auburn Savings Bank, FSB
 Biddeford Savings Bank
 Boston Private Bank & Trust Company
 Central Bank
 Chicopee Savings Bank
 Citizens-Union Savings Bank
 Claremont Savings Bank
 Crescent Credit Union
 Damariscotta Bank and Trust Company
 Dexter Credit Union
 Greenfield Co-Operative Bank
 Haverhill Bank
 Holyoke Credit Union
 Infinity Federal Credit Union
 Kennebec Savings Bank
 Litchfield Bancorp
 Newburyport Five Cents Savings Bank
 Newtown Savings Bank
 Sanford Institution For Savings
 Westerly Community Credit Union



Affordable Housing Development Competition

The need for affordable housing in Greater Boston has reached crisis proportions and affects home owners and renters at every income level. To help foster the new solutions and partnerships needed to solve this crisis, the Federal Home Loan Bank of Boston, the Boston Society of Architects/AIA, Kevin P. Martin & Associates, P.C., ICON Architecture, Inc., and Citizens' Housing and Planning Association sponsored the Affordable Housing Development Competition. The competition pairs Boston-area graduate students with housing professionals to develop innovative proposals for affordable housing.

In its ninth year, the Affordable Housing Development Competition was again a great success. Forty-one students from four colleges and universities had the unique educational opportunity to test their ideas in action. Meanwhile, six community-development organizations participated — each with a distinct site, vision, and community.

2009 Winners

The winners of the 2009 Affordable Housing Development Competition were as follows:

First Place: \$10,000 Chinatown Crossing, Boston, Massachusetts

Organization:

Asian Community Development Corporation.

Student Team:

Harvard University: Samuel Lee (Kennedy School of Government); Massachusetts Institute of Technology: Daniel Daou, Laura Delgado, Haley Heard, Aditi Mehta, and Kristin Simonsen (Department of Urban Studies and Planning); Christopher Gaudet (Sloan School of Management).

Faculty Advisor: Tunney Lee, Massachusetts Institute of Technology — Department of Urban Studies and Planning.

Design Mentor: Kendra Halliwell, ICON Architecture, Inc.

Finance Mentor: Michael Rosenberg, Bank of America Rhode Island, N.A.

Chinatown Crossing is a transit-oriented, mixed-use, mixed-income development in Phillips Square in Boston's Chinatown. The proposal converts the 1920's Verizon building, its adjacent annex, and the surrounding lot into 105 market-rate and affordable apartments, ground-floor retail space, a branch of the Boston Public Library, and open space.



Second Place: \$6,000 St. Polycarp Village Phase II, Somerville, Massachusetts

Organization: Somerville Community Corporation.

Student Team: Boston Architectural College: Michael Rosa and Lindsay Smith; Harvard University: Sara Dabbs (Graduate School of Design); Massachusetts Institute of Technology: Yuxuan Huang and Andres Sevtsuk (Department of Urban Studies and Planning); and Ross Gammill and John Sullivan (Center for Real Estate).

Design Mentor: Michelle Apigian, ICON Architecture, Inc.

Finance Mentor: Sarah Lamitie, Boston Private Bank & Trust Company.

St. Polycarp Village Phase II provides new housing for families and seniors on the site of a former parochial school in a vibrant, mixed-income community in Somerville.

Third Place: \$3,000 Uptown on Dudley, Boston, Massachusetts

Organization: Madison Park Development Corporation.

Student Team: Boston Architectural College: Dan Fograss and Michelle DeYoung; Harvard University: Jasmina Beganovic (Kennedy School of Government); and Massachusetts Institute of Technology: James Madden and Sole Mendez (Department of Urban Studies and Planning).

Faculty Advisor: Dennis Frenchman, Massachusetts Institute of Technology — Department of Urban Studies and Planning.

Design Mentor: David Lieb, LIEBSTUDIOS: architecture.

Finance Mentor: Peter Macero, RBS Citizens, National Association.

Uptown on Dudley is a community-driven, mixed-use development near Dudley Square in Roxbury. The proposal includes two buildings, 44 residential units, and retail and community art space.

Honorable Mention The South Village at Chelmsford, Chelmsford, Massachusetts

Organizations: Chelmsford Housing Authority and the Women's Institute for Housing & Economic Development.

Student Team: Boston Architectural College: Nathan Allen; Harvard University: Benjamin Veghte (Kennedy School of Government); Massachusetts Institute of Technology: Jason Korb and Ricardo Solórzano (Center for Real Estate); Bernadette Baird-Zars (Department of Urban Studies and Planning); Jason Tapia (School of Architecture); Rimi Chakraborty (Sloan School of Management); and Bryan Russett (Tufts University).

Faculty Advisor: James Stockard, Harvard University-Graduate School of Design.

Design Mentors: John Mucciarone and Neal Mongold, The Narrow Gate Alternatives in Architecture LLC.

Finance Mentor: Patricia Capalbo, Wainwright Bank & Trust Company.

The South Village at Chelmsford is a mixed-use, mixed-income development with 18 rental units and commercial, retail, recreational, and community space.

2009 Judges: Bruce Hampton, Elton & Hampton Architects; Madeline Fraser Cook, Local Initiative Support Corporation; Susan Connelly, Massachusetts Housing Partnership; Jennifer Raitt, Metropolitan Area Planning Council; Frank Carvalho, Mill Cities Community Investments; Peter Roth, New Atlantic Development Corporation.

Other Finance Mentors: Wesley Blair, Brookline Bank; Patricia Capalbo, Wainwright Bank & Trust Company; Peter Hollands, Boston Private Bank & Trust Company.

Other Design Mentors: John Clancy, Albert, Righter & Tittmann Architects, Inc.; Neal Mongold, The Narrow Gate Alternatives in Architecture LLP; Ross Speer, Mostue & Associates Architects, Inc.

2009 Advisory Council

The Advisory Council of the Federal Home Loan Bank of Boston advises the Bank and its board of directors on the administration of its special programs for housing and community development.

Organized in 1990, the council is made up of representatives of housing and community-development organizations throughout New England. Each of the New England states is represented on the council, which meets quarterly.



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HCI Compliance Analyst II

The Federal Home Loan Bank of Boston is a member-owned wholesale bank for housing finance in the six New England states. Its mission is to support the residential-mortgage and community-development lending activities of its members, which are more than 460 financial institutions across New England. The Bank's community-lending programs offer its members access to grants and low-cost loans to fund affordable housing and economic development in their communities.

FHLBBoston

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