

2002 ANNUAL REPORT



NEW HAMPSHIRE + MAINE
HOUSING INVESTMENT FUND

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The year 2002 marked our seventh year of raising and investing equity in affordable apartments throughout New Hampshire and Maine. Those of you who have been following our efforts over these years are aware of our accomplishments—we have raised \$160 million in equity capital which in turn has financed the development of 68 rental housing properties that provide 1,923 affordable apartments. Our work is possible only through the partnerships that we have forged with the 2 state housing finance agencies, 20 financial institutions, and 37 local sponsors.

Our previous annual reports have illustrated the work we do within the housing industry. Those reports have shown how we are a true intermediary, balancing the interests of investors, developers and the public sector to realize our common goal of housing production. This year we would like to look outward, sharing with you the broader economic and social benefits of our work.

The development of affordable apartments has many benefits. Among these benefits are the retention of local dollars as well as the attraction of out-of-state capital to boost spending in our local economies, investment in the physical infrastructure of our communities, and the maintenance and strengthening of the social fabric of our connected lives.

Economic gains triggered by affordable housing begin, but do not end, with construction spending. Successful development requires a team of professionals ranging from design and construction consultants to builders and tradesmen to property managers. Municipal economies gain additional apartments for the local workers, allowing employers to grow. Capital investment in the property tax base increases municipal tax revenues. Finally, financing the development of affordable housing leverages public funds with private capital, extending the impact of state and municipal resources.

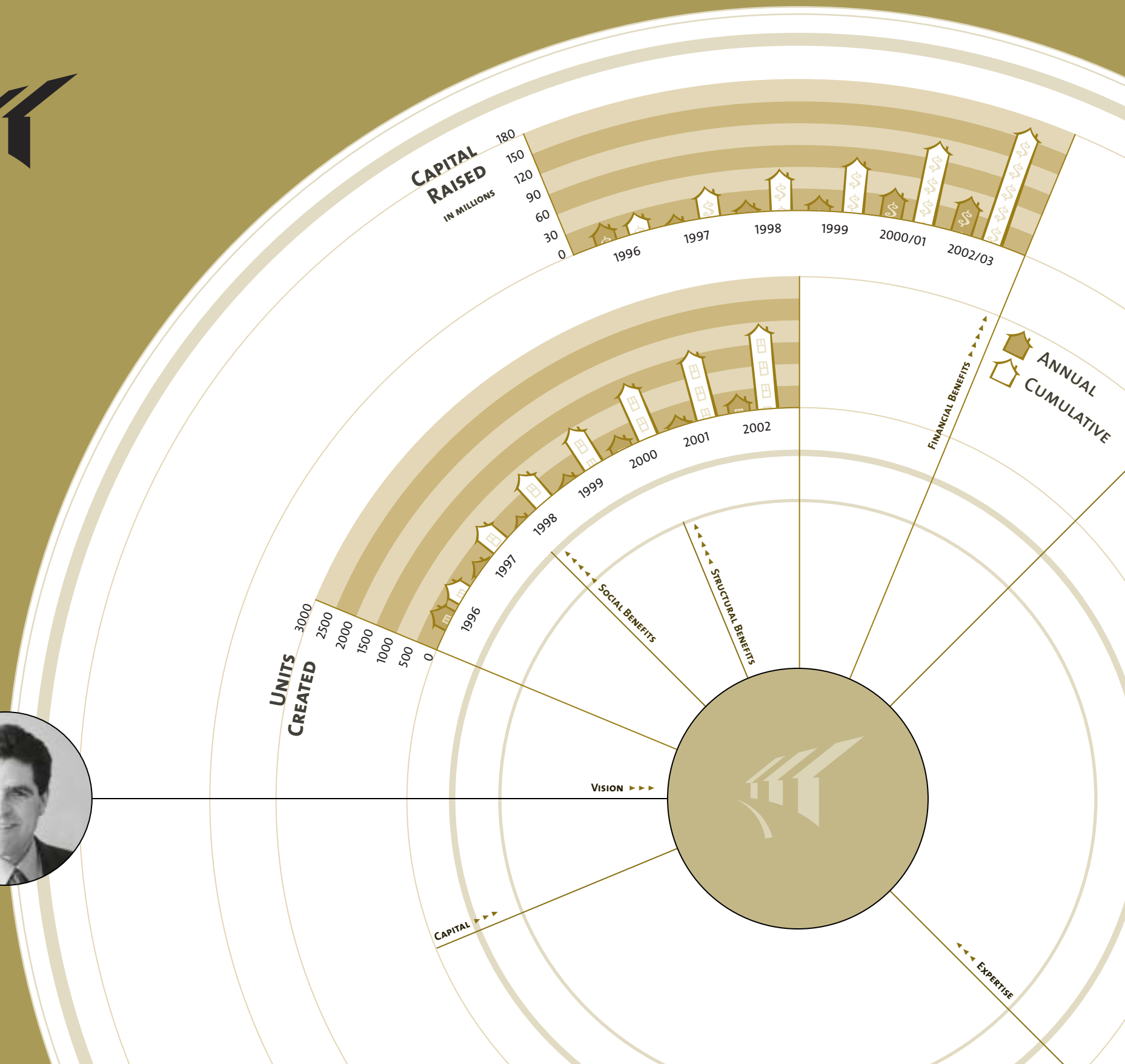
Affordable housing development also generates tangible benefits to neighborhood infrastructure. Rehabilitated projects inspire upgrades by nearby homeowners and landlords, spurring continued investment and increased property values. Eyesores are replaced with attractive dwellings, and public amenities such as sidewalks, playgrounds and roads become improved. The everyday activity of diverse new residents supplants formerly neglected neighborhoods and towns.

Buildings alone can provide shelter, but they do not create a home if they are not integrated into our communities. Many of our developments have been strengthened by coordinating appropriate services into the benefits offered to residents. With the availability of supportive services, the elderly, working families and people with special needs can maintain their independence and productivity. Our philosophy is that the highest-quality services are those that respond to the needs of individual residents. They can range from helping the homeless and/or victims of domestic violence, to assisting working families achieving financial stability and, in turn, first time home ownership.

In the following pages, you will find three vignettes that illustrate our fundamental belief that affordable housing development is integral to the economic, social and physical well-being of our communities. We are honored to be a part of the network of people who sustain this critical component of our society.



John Anton,
President, NH+MHIF



BAY HEAD APARTMENTS
BELFAST, ME
MAINE HOUSING
EQUITY FUND 2000 LP

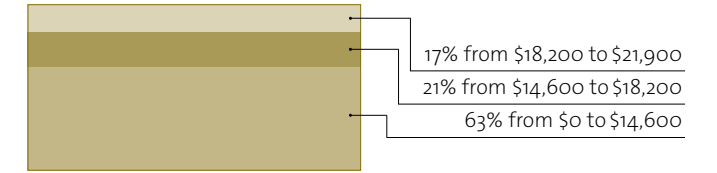


Bay Head Apartments (also known as Patterson Hill) advances a neighborhood revitalization initiative that began in the mid 1990's. The developer, Penquis CAP, built this 24-unit family complex to overlook scenic views of Belfast Bay. Construction and operation of the property fed local economic growth and created affordable housing for 54 residents in a small town with an inadequate supply of rental apartments.

WHO LIVES AT BAY HEAD APARTMENTS

- 54 residents
- 2.3 people in average household
- 1 one-bedroom + 11 two-bedroom + 12 three-bedroom
- 11 households employed in Belfast region
- 12 households comprised of single parent and children

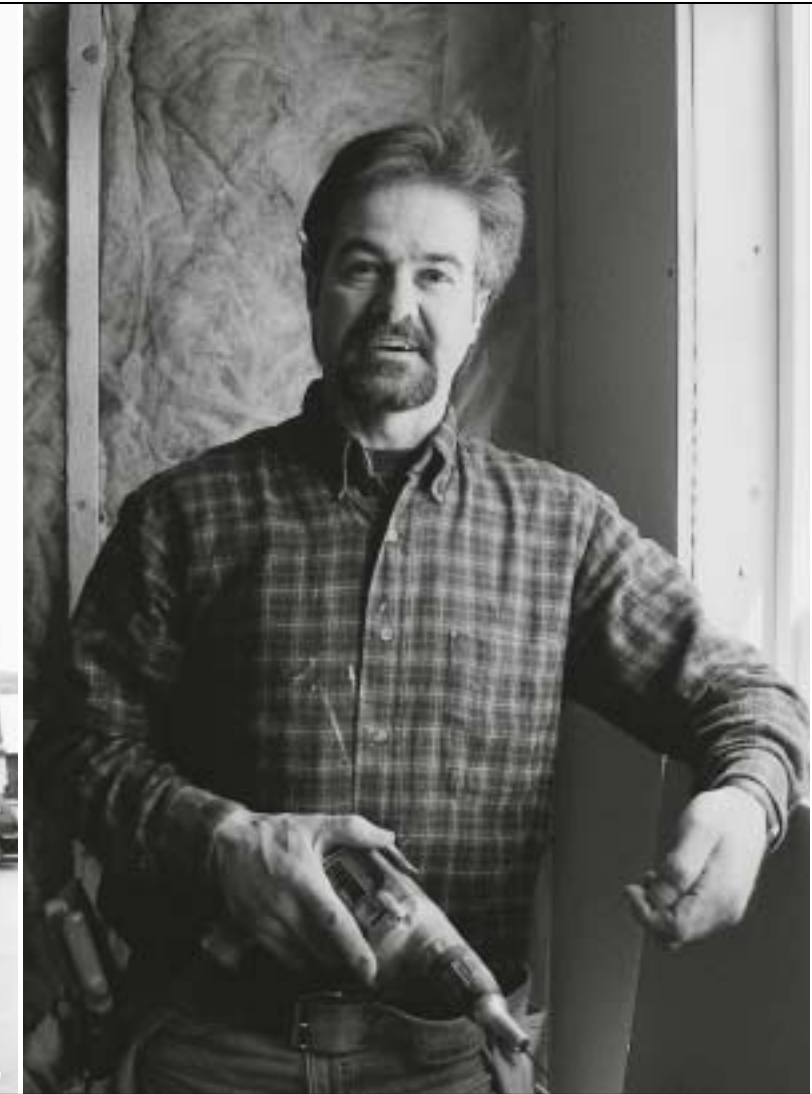
BAY HEAD OCCUPANCY BY HOUSEHOLD INCOME



BAY HEAD APARTMENTS



Photo Courtesy Federal Home Loan Bank of Boston



NH+MHIF participates, as a financial and technical advisor, on a team of specialists led by the developer. Professional expertise represented on any project team also includes architects, engineers, builders, lawyers, state regulators, lenders, consultants and property managers. Such combined effort generates:

- jobs and their ripple effect on local spending
- attraction of capital to geographically diverse areas
- affordable housing for the labor pool
- enhanced stability in local employment
- higher municipal tax revenues

GENERATING ECONOMIC GROWTH

▶▶▶ **FINANCIAL BENEFITS**

PHOENIX APARTMENTS
MANCHESTER, NH
COMMUNITY CAPITAL
2000 LP FUND



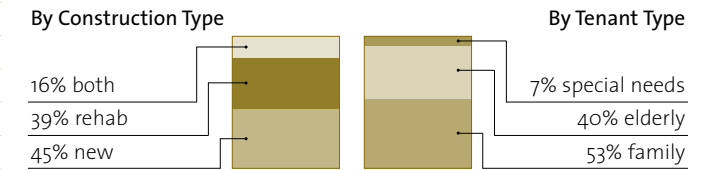
Phoenix Apartments (also known as Renaissance VI) continues the commitment to inner city Manchester by the developer, Manchester Neighborhood Housing Services. This family project consists of 14 apartments in two buildings—one gut rehab and one new construction—on two sites in an improving neighborhood.

PHOENIX APARTMENTS

IMPACT OF MNHS ON MANCHESTER RESIDENTS

- generated 7 properties totaling 165 affordable apartments
- development is primarily through rehabilitation
- built or rehabbed 16 properties for first-time homeowners
- mortgage + home improvement lender at below-market terms
- sponsor of neighborhood cultural and social activities

TYPES OF AFFORDABLE HOUSING OWNED BY NH+MHIF



NH+MHIF guides the financial structuring to realize a vision of community redevelopment articulated by local sponsors. The Fund assists access to varied sources of capital to finance such transformation. Reclaimed neighborhoods thus benefit from:

- creation of new good-quality housing and upgrade of substandard stock
- elimination of blight
- increased property tax base
- productive community activities replace derelict empty buildings

STIMULATING NEIGHBORHOOD RENEWAL

▶▶▶ STRUCTURAL BENEFITS

MILETTE MANOR
NASHUA, NH
NEW HAMPSHIRE
HOUSING EQUITY FUND
1999 LP

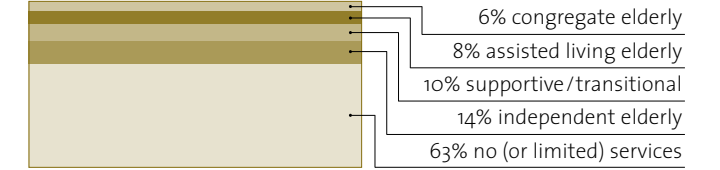


Millette Manor is the adaptive reuse of a former elementary school in the city center of Nashua into 22 apartments for the elderly. Renovations also created an on-site wellness center, which is a collaboration among Neighborhood Housing Services of Greater Nashua, St. Louis DeGonzague parish, and the St. Joseph Hospital Parish Nurse Program. During 2002 a total of 357 Nashua residents participated in the center's various programs.

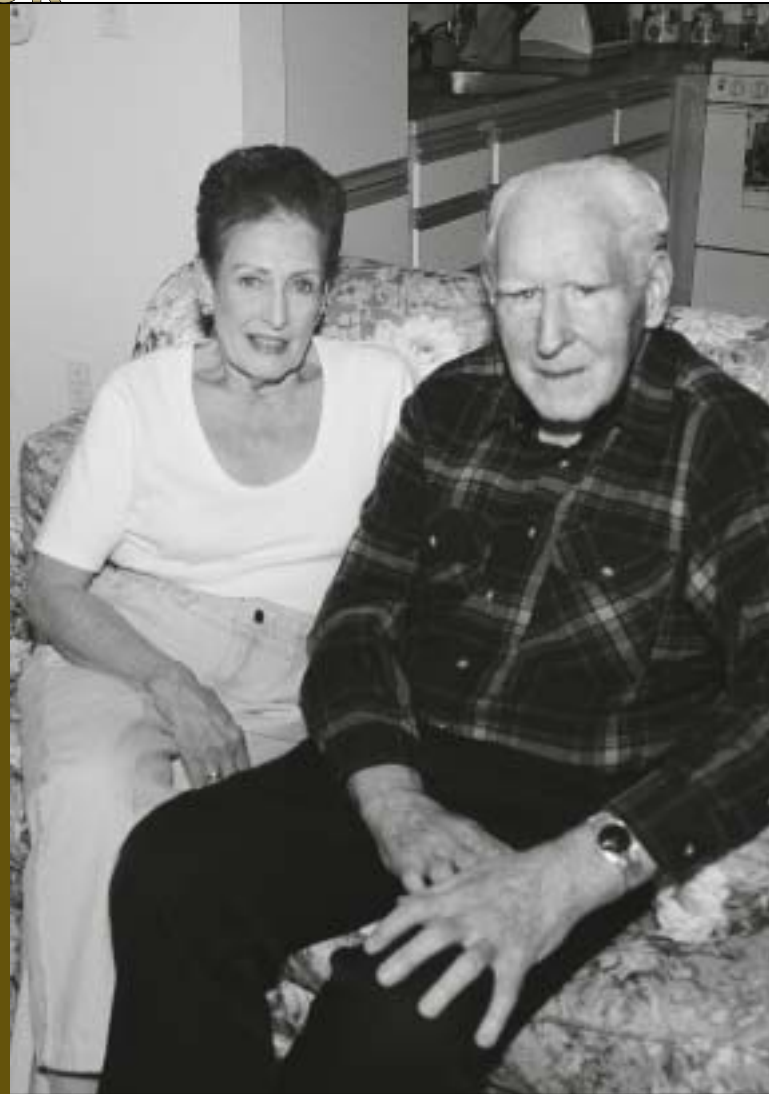
SERVICES PROVIDED AT MILETTE MANOR

- blood pressure screening + wellness checks
- exercise + recreation groups
- new resident assessment + individual case management plan
- advocacy + referral to caregivers | holistic healthcare clinics
- social + community groups | holiday celebrations

SERVICE ENRICHED HOUSING IN NH+MHIF PORTFOLIO



MILETTE MANOR



NH+MHIF encourages the delivery of services which enable special-needs tenants to maintain independent lifestyles in affordable apartments. The Fund underwrites a team comprised of developer, manager and services provider to ensure the integration of expertise and local resources in order to:

- coordinate needed services supporting residents
- integrate the disenfranchised, such as homeless people transitioning to stable housing
- provide a building designed to maximize efficient delivery of services
- leverage multiple funding sources to enhance scope and affordability of services

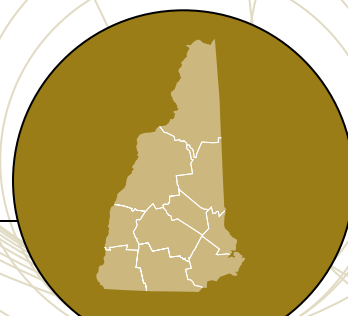
STRENGTHENING COMMUNITY SUPPORT

NAME	DEVELOPER	UNITS	DESCRIPTION	LOCATION	NAME	DEVELOPER	UNITS	DESCRIPTION	LOCATION
Addison Place	Dover Housing Authority/Silver Street Development	45	Family	Dover	Bay Head Apartments	Penquis CAP	24	Family	Belfast
Ammonoosuc Green	Affordable Housing Education and Development	17	Neighborhood Revitalization	Littleton	Bethel Station Apartments	Community Concepts, Inc.	16	Family	Bethel & Fryeburg
Beaver Mills	Southwestern Community Services	30	Congregate Elderly	Keene	Brannigan House	Shalom House, Inc.	10	Special Needs	Portland
Bicentennial Families	Families in Transition	16	Transitional	Concord	Brookside Village	Freeport Housing Trust	16	Elderly	Freeport
Deerfield Elderly	Southern New Hampshire Services	20	Elderly	Deerfield	Carrebec Park	Clem Begin	14	Family	North Anson
Eagles Bluff I	Silver Street Development	40	Family	Concord	CHOM Apartments	Coastal Enterprises, Inc.	24	Special Needs	Orono, Belfast & Portland
Eagles Bluff II	Silver Street Development	40	Family	Concord	Cottage Street Apartments	Community Concepts, Inc.	18	Family	Norway
Elm Street Phase I	Manchester Neighborhood Housing Services	40	Neighborhood Revitalization	Manchester	Covered Bridge Apartments	Clem Begin	10	Elderly	Guilford
Elm Street Phase II	Manchester Neighborhood Housing Services	28	Neighborhood Revitalization	Manchester	Freese Assisted Living Center	Realty Resources Chartered	39	Adaptive Reuse, Elderly	Bangor
Emerson Court	Rochester Housing Authority	12	Family	Rochester	Graham School	Penquis CAP	20	Elderly	Veazie
Franklin Village	Silver Street Development	132	Family	Derry	Harmon Pines	York Cumberland Housing Development Corporation	20	Family	Buxton
Mad River Apartments	The Housing Partnership	16	Family	Farmington	Larrabee Village	Westbrook Housing Authority	150	Assisted Living	Westbrook
Milette Manor	NHS of Greater Nashua, Inc.	22	Adaptive Reuse Elderly	Nashua	Lincolnton Village Apartments	Clem Begin	8	Family	Lincolnton
Millyard I	Families in Transition	14	Transitional	Manchester	Maple Street Apartments	Community Concepts, Inc.	16	Neighborhood Revitalization	Lewiston
Millyard Families II	Families in Transition	20	Transitional	Manchester	Mayflower Assisted Living	Sanford Housing Authority	35	Assisted Living	Sanford
Neighborhood Initiative II	Laconia Area Community Land Trust	19	Neighborhood Revitalization	Laconia	Norton Street	The Housing Partnership	20	Neighborhood Revitalization	South Berwick
New Hope Housing	The Housing Partnership	12	Family	Rollinsford	Piper Mill Road	Coastal Economic Development Corporation	24	Family	Damariscotta
Phoenix Apartments	Manchester Neighborhood Housing Services	14	Neighborhood Revitalization	Manchester	Plant Home	The Plant Home	37	Congregate Elderly	Bath
Pine Hill	Laconia Area Community Land Trust	18	Neighborhood Revitalization	Laconia	Presumpscot Commons	Westbrook Housing Authority	29	Adaptive Reuse, Elderly	Westbrook
Portsmouth Cottage	Portsmouth Housing Authority	20	Adaptive Reuse Elderly	Portsmouth	Riverside Estates	O'Neil Development Company	49	Family	Brunswick
Rolling Green	Paul Stewart	40	Elderly	Pittsfield	Sandy Creek	York Cumberland Housing Development Corporation	20	Family	Bridgton
Sandy Ledge	Belknap-Merrimack CAP	11	Family	Belmont	Seabreeze Apartments	William Marceau	18	Elderly	Searsport
Settler's Ridge	Steven Lewis	26	Elderly	Atkinson	Steeple Square	York Cumberland Housing Development Corporation	73	Neighborhood Revitalization	Westbrook
Snow Brook Meadow Village	Southwestern Community Services	20	Family	Winchester	Supportive Housing	Community Concepts, Inc.	19	Special Needs	Lewiston, S. Paris & Rumford
South End 2000	CATCH	13	Neighborhood Revitalization	Concord	Unity Village	Richard Berman/Jim Hatch	33	Family	Portland
Spencer Square	Bill Bittinger/Twin Pines Housing Trust	20	Family	Lebanon	Village View Apartments	Freeport Housing Trust	30	Family	Freeport
Swanzey Township Apartments	Southwestern Community Services	18	Family	Swanzey	Village Woods	York Housing Authority	36	Elderly	York
Three Corners Apartments	Manchester Neighborhood Housing Services	20	Neighborhood Revitalization	Manchester	Wardwell Gardens	Wardwell Home for the Aging	30	Assisted Living	Saco
Troy Senior Housing	Southwestern Community Services	15	Congregate Elderly	Troy	Waterworks SRO	Shaw House	35	Adaptive Reuse, SRO	Bangor
Upper Valley Supportive Housing	Twin Pines Housing Trust	20	Special Needs	Enfield & Lebanon	Western Maine Apartments	Community Concepts, Inc.	32	Family	S. Paris, Brownfield & Fryeburg
Whispering Pines II	Rockingham Community Action	20	Elderly	Epping	Windward Apartments	Penquis CAP	16	Family	Searsport
White Rock Senior Housing I	Green Mountain Development	73	Elderly	Bow	Yale Court	Wescott and Payson	30	Family	Portland
White Rock Senior Housing II	Green Mountain Development	43	Elderly	Bow					
Willow Crossing	CATCH	24	Family	Concord					
Winchester Senior Housing	Southwestern Community Services	20	Congregate Elderly	Winchester					
Woodsville Maple Walnut	Affordable Housing Education and Development	14	Family	Woodsville					

More detailed information on our developments can be found on our website at www.housinginvestmentfund.org/developments.html

972 NH
UNITS
CREATED

951 ME
UNITS
CREATED



NEW HAMPSHIRE DEVELOPMENTS

MAINE DEVELOPMENTS

NH BOARD



Clockwise from left:

CHAIR | MARK HENNIGAR
Senior Vice President, Citizens Bank

VICE CHAIR | DENNIS LAGUEUX
Vice President, Community Development, Banknorth, N.A.

TREASURER | PAUL N. STEWART
President, Stewart Property Management, Inc.

MAUREEN BEAUREGARD
President, Families in Transition

KATHARINE BOGLE-SHIELDS
Vice President of Community Development, Providian Financial

MICHAEL LAFONTAINE
Director of Community Housing Project, New Hampshire Community Loan Fund

GERALD H. LITTLE
President, New Hampshire Bankers Association

IGNATIUS MACLELLAN
Deputy Director, Northern New England Partnership Office Fannie Mae
(Company name listed for identification purposes only.)

BILL MARCELLO
Executive Director, Southwestern Community Services

SUSTAINING MEMBERS

MAINE STATE HOUSING AUTHORITY

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

PROFESSIONALS

CERTIFIED PUBLIC ACCOUNTANTS
OTIS ATWELL & TIMBERLAKE

TAX CREDIT COMPLIANCE CONSULTANT
GENERAL MANAGEMENT SERVICES, INC.

LEGAL COUNSEL
CURTIS, THAXTER, STEVENS,
BRODER & MICOLEAU

DEVINE, MILLIMET & BRANCH

NIXON PEABODY, LLC

VENABLE, BAETJER, HOWARD &
CIVILETTI, LLP



Clockwise from left:

CHAIR | JOANNE TROY
Executive Director, Bath Housing Authority

VICE CHAIR | JOHN GALLAGHER
Executive Director, Westbrook Housing Authority

TREASURER | RICHARD A. BLAKE
Senior Vice President, Peoples Heritage Bank

WILLIAM R. BARAN
Interim Pastor, Union Congregational Church, York Beach

JOANNE CAMPBELL
Senior Vice President, Camden National Bank

ERIC CHRISTENSEN
Vice President, Key Bank, N. A.

SIDNEY H. GELLER, ESQ.
Law Offices of Sidney H. Geller

THOMAS N. LEA
Vice President, Commercial Real Estate Maine Bank and Trust

BETH MCPHERSON
Executive Director, Genesis Community Loan Fund

WILLIAM NICKERSON
Senior Vice President, Fleet Bank of Maine

FRANK O'HARA
Vice President, Planning Decisions

MATT SMITH
Executive Administrator, Community Concepts, Inc.

DANA TOTMAN
Executive Director, York Cumberland Housing Development Corporation

ME BOARD

INVESTORS	NEW HAMPSHIRE	MAINE	TOTAL
ANDROSCOGGIN SAVINGS BANK	-	821,250	821,250
BANGOR SAVINGS BANK	-	772,500	772,500
BANKNORTH, N.A.	11,710,000	12,885,000	24,595,000
BOSTON FINANCIAL	1,602,000	-	1,602,000
BOW MILLS BANK AND TRUST	307,000	-	307,000
CAMDEN NATIONAL/UNITED KINGFIELD	-	1,535,000	1,535,000
CHITTENDEN CORPORATION	257,500	257,500	515,000
[MAINE BANK AND TRUST/OCEAN NATIONAL BANK]			
CITIZENS BANK	11,210,000	-	11,210,000
CONNECTICUT RIVER BANK	202,000	-	202,000
FANNIE MAE	1,802,500	14,921,530	16,724,030
FLEET NATIONAL BANK, NA	28,560,000	21,623,750	50,183,750
GORHAM SAVINGS BANK	-	1,731,149	1,731,149
JOHN HANCOCK REALTY ADVISORS	5,210,000	-	5,210,000
KEY COMMUNITY DEVELOPMENT CORPORATION	6,100,000	10,323,750	16,423,750
MASCOMA SAVINGS BANK	1,255,000	-	1,255,000
MBNA COMMUNITY DEVELOPMENT CORPORATION	2,050,000	8,997,500	11,047,500
NORWAY SAVINGS	-	2,040,000	2,040,000
PROVIDIAN NATIONAL BANK	12,007,303	2,550,000	14,557,303
SACO BIDDEFORD SAVINGS INSTITUTION	-	306,250	306,250
TOTALS	81,966,303	79,072,179	161,038,482

DEVELOPERS

AFFORDABLE HOUSING EDUCATION AND DEVELOPMENT • CLEM BEGIN • RICHARD BERMAN / JIM HATCH • BILL BITTINGER • CATCH • COASTAL ECONOMIC DEVELOPMENT • COASTAL ENTERPRISES, INC. • BELKNAP-MERRIMACK CAP • COMMUNITY CONCEPTS, INC. • DOVER HOUSING AUTHORITY • FAMILIES IN TRANSITION • FREEPORT HOUSING TRUST • GREEN MOUNTAIN DEVELOPMENT • THE HOUSING PARTNERSHIP • LACONIA AREA COMMUNITY LAND TRUST • STEVEN LEWIS • MANCHESTER NEIGHBORHOOD HOUSING SERVICES • WILLIAM MARCEAU • NHS OF GREATER NASHUA, INC. • O'NEIL DEVELOPMENT COMPANY • PENQUIS CAP • PLANT HOME • PORTSMOUTH HOUSING AUTHORITY • REALTY RESOURCES CHARTERED • ROCHESTER HOUSING AUTHORITY • ROCKINGHAM COMMUNITY ACTION • SANFORD HOUSING AUTHORITY • SHALOM HOUSE, INC. • SILVER STREET DEVELOPMENT • SOUTHERN NEW HAMPSHIRE SERVICES • SOUTHWESTERN COMMUNITY SERVICES • PAUL STEWART • SHAW HOUSE • TWIN PINES HOUSING TRUST • WARDWELL HOME FOR THE AGING • WESTBROOK HOUSING AUTHORITY • WESCOTT AND PAYSON • YORK CUMBERLAND HOUSING DEVELOPMENT CORPORATION • YORK HOUSING AUTHORITY

NEW HAMPSHIRE + MAINE HOUSING INVESTMENT FUND FINANCIAL SUMMARY AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2002

BALANCE SHEET	NHHIF	MHIF	TOTAL
ASSETS			
CASH AND CASH EQUIVALENTS	317,652	1,862,475	2,180,127
OTHER CURRENT ASSETS	220,250	526,049	746,299
OTHER ASSETS	-	4,192	4,192
PROPERTY AND EQUIPMENT (NET OF DEPRECIATION)	-	88,802	88,802
TOTAL ASSETS	537,902	2,481,518	3,019,420
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES	-	24,839	24,839
LONG-TERM LIABILITIES	-	370,237	370,237
TEMPORARILY RESTRICTED ASSETS	-	-	-
UNRESTRICTED NET ASSETS	537,902	2,086,442	2,624,344
TOTAL LIABILITIES AND NET ASSETS	537,902	2,481,518	3,019,420
STATEMENT OF REVENUES AND EXPENSES			
REVENUE AND OTHER SUPPORT			
MEMBERSHIP	25,000	25,110	50,110
FEE INCOME	3,500	688,300	691,800
OTHER INCOME	-	173,863	173,863
INTEREST INCOME	9,474	36,738	46,212
TOTAL REVENUES	37,974	924,011	961,985
EXPENSES			
PROGRAM EXPENSES	22,082	564,434	586,516
MANAGEMENT AND GENERAL	2,108	223,768	225,876
TOTAL EXPENSES	24,190	788,202	812,392
EXCESS OF REVENUES OVER EXPENSES	13,784	135,809	149,593

Note: This page is for illustrative purposes only and is not intended to present a complete financial picture of NHHIF and MHIF. For more information, please refer to the audited financial statements.

Audited Financial Statements and Form 990's are available upon request, as well as at our website, www.housinginvestmentfund.org

DESIGN | LORI HARLEY
PHOTOGRAPHY | KATE PHILBRICK
PRINTING | SPECTRUM PRINTING & GRAPHICS



Clockwise from top:

JOHN ANTON
President



ALISON CLARK
Accountant

FRANCESCA GRASSI
Asset Manager



SUZANNA LYNCH
Office Assistant

JAN MCCORMICK
*Vice President /
Director of Asset Management*



LISA MERCHANT
Acquisitions Officer

PATRICIA NEJA
Office Administrator

JACK PEDUZZI
Director of NH Operations



BILL SHANAHAN
*Vice President /
Chief Financial Officer*

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