



NORTHERN NEW ENGLAND
HOUSING INVESTMENT FUND

2005 annual report



Each year when I write this introduction to our annual report, it gives me a chance to reflect on the past year and examine the meaning of our work. This year, two recent events have helped me think this through.

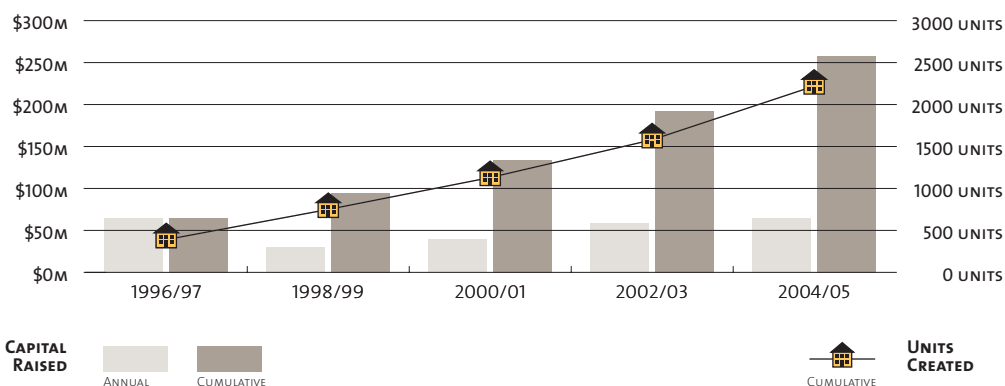
The first event arrived in the form of a Request for Proposals from a development consultant who sympathetically noted that “this is a difficult market environment for a geographically restricted fund.” This consultant was alluding to the extraordinarily competitive market for LIHTC investments, which produces more equity in investments, lower yields to investors and reduced margins for syndicators. As much as I am tempted to confirm the consultant’s supposition that our marketplace is difficult, I cannot. The competition is by and large a good thing—for one thing, higher equity prices help to stretch scarce housing subsidies. Equally as important, competition compels syndicators like us to articulate—to developers, to investors and to HFAs—how we stand apart from one other.

The second event illustrates for me how NNEHIF stands apart from other syndicators. Early in May, the Affordable Housing Tax Credit Coalition (AHTCC) announced the winners of the 12th annual Charles L. Edson Tax Credit Excellence awards. Of the 13 developments recognized, NNEHIF syndicated two—Logan Place in Portland, ME and Mill View in Laconia, NH. Both of these developments exemplify the characteristics of a NNEHIF investment; both posed significant challenges—Logan Place pursues an ambitious and innovative “housing first” social service model, while Mill View involved the acquisition and remediation of a tax-acquired brown field site. Long-standing relationships with each developer, coupled with our experience in providing thoughtful underwriting, allowed us to overcome the challenges of each project and structure healthy, sustainable transactions with major community benefits.

We distinguish ourselves from other syndicators by our ability to understand grassroots developments and then translate that understanding into the language of investors and regulators. As always, the bulk of the credit must go to the developers who have the vision to take on ambitious projects, the investors who are willing to take reasoned risks to advance community-based change, and the HFAs that embrace developments that respond to community-identified needs. We are honored by and thankful for our small role of bringing these interests together to identify and realize their common goals. We look forward to being of service again in 2006.



John Anton,
President, NNEHIF



NNEHIF is a proud member
of the National Association
of State and Local Equity Funds.
www.naslef.org



Investors

INVESTORS	NEW HAMPSHIRE	MAINE	TOTAL
Androscoggin Savings Bank	-	928,268	928,268
Bangor Savings Bank	-	1,545,000	1,545,000
Bank of America	41,940,000	47,101,250	89,041,250
Boston Financial	1,602,000	-	1,602,000
Bow Mills Bank and Trust	311,510	-	311,510
Camden National / United Kingfield	-	2,050,000	2,050,000
Chittenden Corp. (MB & T/Ocean National)	1,030,000	257,500	1,287,500
Citizens Bank New Hampshire	16,360,000	-	16,360,000
Connecticut River Bank	202,000	-	202,000
Fannie Mae	1,802,500	16,676,530	18,479,030
Gorham Savings Bank	-	2,246,149	2,246,149
John Hancock Realty Advisors	5,210,000	-	5,210,000
Key Community Development Corporation	6,100,000	15,473,750	21,573,750
Mascoma Savings Bank	1,255,000	-	1,255,000
Meredith Village Savings Bank	270,000	-	270,000
Norway Savings Bank	-	2,040,000	2,040,000
Saco Biddeford Savings Institution	-	1,851,250	1,851,250
Sovereign Bank	3,090,000	-	3,090,000
TD BankNorth	16,860,000	20,610,000	37,470,000
Washington Mutual	12,037,456	2,550,000	14,587,456
Woodsville Guaranty Savings Bank	270,000	-	270,000
TOTALS	108,340,466	113,329,697	221,670,163



PROFESSIONALS	SUSTAINING MEMBERS
CERTIFIED PUBLIC ACCOUNTANTS Otis Atwell	MAINE STATE HOUSING AUTHORITY
TAX CREDIT COMPLIANCE CONSULTANT Spectrum Enterprises	NEW HAMPSHIRE HOUSING FINANCE AUTHORITY
LEGAL COUNSEL Curtis, Thaxter, Stevens, Broder & Micoeau Devine Millimet Nixon Peabody, LLC	



Financials

NNEHIF FINANCIAL SUMMARY AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2005

BALANCE SHEET

ASSETS

Cash and Cash Equivalents	5,597,980
Other Current Assets	480,205
Other Assets	1,477,839
Property and Equipment (Net of Depreciation)	165,647
TOTAL ASSETS	7,721,671

LIABILITIES AND NET ASSETS

Current Liabilities	83,332
Long-Term Liabilities	4,081,480
Temporarily Restricted Assets	1,125,000
Unrestricted Net Assets	2,431,859
TOTAL LIABILITIES AND NET ASSETS	7,721,671

STATEMENT OF REVENUES AND EXPENSES

REVENUE AND OTHER SUPPORT

Membership	50,000
Fee Income	1,283,150
Other Income	59,915
Interest Income	173,569
TOTAL REVENUES	1,566,634

EXPENSES

Program Expenses	992,813
Management and General	244,534
TOTAL EXPENSES	1,237,347

EXCESS OF REVENUES OVER EXPENSES	329,287
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Note: This Financial Summary is for illustrative purposes only and is not intended to present a complete financial picture of NNEHIF. For more information, please refer to the Audited Financial Statements which are available upon request or on our website at www.housinginvestmentfund.org/aboutus_financials.html





NH Developers: 1,266 Units

DEVELOPER	DEVELOPMENT NAME	UNITS	DESCRIPTION	LOCATION	PLACED IN SERVICE
Affordable Housing Education and Development	Woodsville Maple Walnut	14	Family	Woodsville	6/2000
	Ammonoosuc Green	17	Revitalization	Littleton	12/2001
	Lisbon Renewal	10	Revitalization	Lisbon	5/2005
Bill Bittering/ Twin Pines Housing Trust	Spencer Square	20	Family	Lebanon	1/2001
CATCH	South End 2000	13	Revitalization	Concord	2/2001
	Willow Crossing	24	Family	Concord	10/2003
Belknap-Merrimack CAP	Sandy Ledge	11	Family	Belmont	12/2003
Dover Housing Authority/ Silver Street Development	Addison Place	45	Family	Dover	6/1998
Families in Transition	Millyard I	14	Transitional	Manchester	4/1997
	Millyard II	20	Transitional	Manchester	4/2002
	Families in Transition – Concord	16	Transitional	Concord	1/2004
Gilford Village Knolls, Inc.	Gilford Village Knolls II	24	Elderly	Gilford	5/2006
Green Mountain Development	White Rock Senior Housing I	73	Elderly	Bow	12/2002
	White Rock Senior Housing II	43	Elderly	Bow	10/2003
Keene Housing Authority	Evergreen Knoll	32	Family	Swanzey	10/2005
	Stone Arch I	24	Family + Elderly	Keene	▲ 5/2006
	Stone Arch II	33	Family + Elderly	Keene	▲ 11/2006
Laconia Area Community Land Trust	Pine Hill	18	Revitalization	Laconia	8/1998
	Neighborhood Initiative II	19	Revitalization	Laconia	9/2001
	Mill View Apartments	18	Family	Laconia	3/2005
Manchester Housing & Redevelopment Authority	Mary Gale Apartments	37	Elderly	Manchester	12/2004
Manchester Neighborhood Housing Services	Three Corners Apartments	21	Revitalization	Manchester	11/1999
	Elm Street Phase I	40	Revitalization	Manchester	5/2001
	Elm Street Phase II	28	Revitalization	Manchester	12/2001
	Phoenix Apartments	14	Revitalization	Manchester	11/2002
	Straw Mansion	33	Family	Manchester	12/2005
NHS of Greater Nashua, Inc.	Milette Manor	22	Elderly	Nashua	8/2001
Paul Stewart	Rolling Green	40	Elderly	Pittsfield	5/2000
	Brentwood Manor Apartments	22	Preservation	Nashua	3/2005
Portsmouth Housing Authority	Portsmouth Cottage	20	Elderly	Portsmouth	7 /2004
Rochester Housing Authority	Emerson Court	12	Family	Rochester	11/2002
Rockingham Community Action	Whispering Pines II	20	Elderly	Epping	8/2001
Silver Street Development	Eagles Bluff I	40	Family	Concord	4/1997
	Franklin Village	132	Family	Derry	4/1997
	Eagles Bluff II	40	Family	Concord	1/1998
Southern New Hampshire Services	Sherburne Woods	20	Elderly	Deerfield	6/2003
Southwestern Community Services	Beaver Mills	30	Elderly	Keene	10/1999
	Troy Senior Housing	15	Elderly	Troy	2/2000
	Winchester Senior Housing	20	Elderly	Winchester	3/2002
	West Swanzey Family Apartments	18	Family	Swanzey	8/2003
	Snow Brook Meadow Village	20	Family	Winchester	4/2004
	Highlands Apartments	40	Family	Keene	8/2005
	Warwick Meadow Apartments	20	Elderly	Winchester	▲ 8/2006
Steven Lewis	Settler's Ridge	26	Elderly	Atkinson	6/2000
The Housing Partnership	New Hope Housing	12	Family	Rollinsford	4/1998
	Mad River Apartments	16	Family	Farmington	5/2003
Twin Pines Housing Trust	Upper Valley Supportive Housing	20	Special Needs	Enfield & Lebanon	7/2003

▲ PROJECTED DATES



ME Developers: 1,309 Units

DEVELOPER	DEVELOPMENT NAME	UNITS	DESCRIPTION	LOCATION	PLACED IN SERVICE
Avesta Housing	Steeple Square	73	Revitalization	Westbrook	11/1998
	Sandy Creek	20	Family	Bridgton	8/2000
	Harmon Pines	20	Family	Buxton	4/2004
	Logan Place	30	Special Needs	Portland	3/2005
	Unity Gardens	24	Elderly	Windham	8/2005
	Fore River Apartments	20	Family	Portland	▲ 5/2006
Clem Begin	Covered Bridge Apartments	10	Elderly	Guilford	10/1996
	Carrabec Park	14	Family	North Anson	1/1997
	Lincolnville Village Apartments	8	Family	Lincolnville	10/1999
Coastal Economic Development Corporation	Ledgewood Court	24	Family	Damariscotta	10/2003
Coastal Enterprises, Inc.	CHOM Apartments	24	Special Needs	Orono, Belfast & Portland	1/2001
	Marble Oaks	16	Family	Waldoboro	5/2005
Community Concepts, Inc.	Supportive Housing	19	Special Needs	Lewiston, S. Paris & Rumford	6/1997
	Western Maine Apartments	32	Family	S. Paris, Brownfield & Fryeburg	5/1999
	Cottage Street Apartments	18	Family	Norway	10/2002
	Western Hills Apartments	16	Family	Bethel & Fryeburg	1/2003
	Maple Street Apartments	16	Revitalization	Lewiston	5/2004
	Farmington Hills Family Housing	10	Family	Farmington	1/2006
Cumberland County YMCA	YMCA Apartments	32	Special Needs	Portland	1/2006
Freeport Housing Trust	Village View Apartments	30	Family	Freeport	5/1997
	Brookside Village	16	Elderly	Freeport	8/2001
	Varney Square	30	Family	Freeport	1/2006
IRIS Network	IRIS Park Apartments	30	Special Needs	Portland	▲ 10/2006
O'Neil Development Company	Riverside Estates	49	Family	Brunswick	9/1995
Penquis CAP	Bay Head Apartments	24	Family	Belfast	2/2002
	Graham School	20	Elderly	Veazie	1/2003
	Windward Apartments	16	Family	Searsport	4/2004
	Griffin Road Apartments	16	Family	Bangor	4/2005
	Corundel Commons	20	Elderly	Corinna	2/2006
PROP	Parkside Neighborhood	16	Family	Portland	6/2005
Realty Resources Chartered	Freese Assisted Living Center	39	Elderly	Bangor	1/2000
Richard Berman/Jim Hatch	Unity Village	33	Family	Portland	9/2001
Richard Berman/Jim Hatch/ Avesta Housing	Brick Hill Townhouses I	66	Family	South Portland	7/2005
	Brick Hill Cottages	43	Family	South Portland	▲ 5/2006
Sanford Housing Authority	Mayflower Assisted Living	35	Assisted Living	Sanford	1/2001
Shalom House, Inc.	Brannigan House	10	Special Needs	Portland	7/2002
The Housing Partnership	Norton Street	20	Revitalization	South Berwick	8/2000
Plant Memorial Home	Plant Home	37	Elderly	Bath	12/2003
Wardwell Home for the Aging	Wardwell Gardens	30	Assisted Living	Saco	8/1997
Wescott and Payson	Yale Court	30	Family	Portland	2/2004
Westbrook Housing Authority	Larabee Village	150	Assisted Living	Westbrook	2/1997
	Presumpscot Commons	29	Elderly	Westbrook	5/2003
William Marceau	Seabreeze Apartments	18	Elderly	Searsport	12/2003
York County Community Action	Patriot Place Apartments	40	Family	Sanford	11/2005
York Housing Authority	Village Woods	36	Elderly	York	9/2002

▲ PROJECTED DATES



Board

BOARD CHAIR

JOHN GALLAGHER

*Executive Director,
Westbrook Housing Authority*



BOARD VICE CHAIR

IGNATIUS MACLELLAN

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



JACK BUCKLEY

*Executive Director,
Dover Housing Authority*



ERIC CHRISTENSEN

*Senior Vice President,
KeyBank National Association*



RICHARD A. BLAKE

*Senior Vice President,
TD Banknorth*



KATHARINE BOGLE SHIELDS

*Vice President
of Community Development,
Providian Financial*



KIM DAVIS

*Senior Vice President,
Ocean National Bank*



AMY LOCKWOOD

*Executive Director,
Star Island Corporation*



KATHLEEN REARDON

*VP Director
CRA and Public Affairs,
Citizens Bank New Hampshire*



KIM McLAUGHLIN

*Senior Vice President,
Community
Development Banking*



BETH McPHERSON

*Executive Director,
Genesis Community
Loan Fund*



MATT SMITH

*Executive Director,
Community Concepts, Inc.*



PAUL N. STEWART

*President, Stewart Property
Management, Inc.*



CULLEN RYAN

*Executive Director,
Community Housing
of Maine (CHOM)*



Staff

JOHN ANTON
President



PATRICK BRENNICK
Senior Asset Manager



HOLLY BURBANK
Fund Accountant



JAN MCCORMICK
*Vice President/Director
of Asset Management*



MEGAN MCHENRY
Asset Manager



CORY FELLOWS
*Senior Acquisitions
Manager*



ALISA FORD
*Administrative
Assistant*



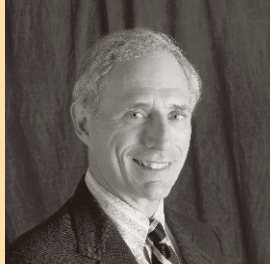
LISA MERCHANT
Acquisitions Officer



PATRICIA NEJA
Office Administrator



JACK PEDUZZI
*Director of
NH Operations*



BILL SHANAHAN
*Vice President/
Chief Financial Officer*



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