



## NORTHERN NEW ENGLAND HOUSING INVESTMENT FUND

Featured Property



**Olde Woolen Mill Apartments, North Berwick, ME** | NNEHIF facilitated the first use of State historic tax credits to create affordable housing while saving the character of this stately historic mill, once the producer of woolen blankets for American Civil War soldiers. **Maine Preservation** awarded the Caleb Foundation the **Statewide Historic Preservation Honor Award** for this mill preservation. | *Developer: The Caleb Foundation*

# 2009 Annual Report

## Our Message from the President and Board Chair

2009 was an extraordinary year in the financial services sector. The upheaval in the sector as a whole compelled us to challenge our assumptions about how we conduct our business. We responded to the challenge, making tough but necessary choices amidst uncertain and, at times, anxiety-provoking circumstances. We realize that our experiences are no different than what other groups and individuals have been experiencing. In some ways, our challenges pale in comparison to those of others.

The good news is that we were able to retain our core investors, despite the national LIHTC market shrinking to half of its pre-crisis size.

The retention of our investors validates our overall work in our communities and our underwriting, technical assistance and asset management skills—skills that we have carefully refined over the years in response to feedback from HFAs, investors and developers. Our acquisition team found sound housing developments to invest in and worked with our developer partners to help ensure transactions were kept on track. Our asset management team worked diligently to ensure that the properties were running well, dealing affirmatively and professionally with our developer partners and property managers. In addition, through our consulting work, we were able to help our partners get their projects completed.

Despite these intense demands, we also maintained significant commitment to our other mission-related work, including funding

key initiatives, organizing training for our partners, providing volunteer help to our housing partners, and leading advocacy efforts within our states and before Congress.

In 2010, we will face new and continuing challenges. However, we are a stronger organization now, and we are energized and committed to fulfilling our mission. As always, we are pleased to serve the housing communities of Maine and New Hampshire. We are honored to work with our investors, New Hampshire Housing, MaineHousing, other funders, developers, property managers and policy makers. Like our partners and investors, we will give our all to help our lower-income neighbors who need assistance in attaining quality affordable housing.

**John Anton,**  
*President*

**Cullen Ryan,**  
*Board Chair*

**Railroad Square Apartments, Keene, NH** | This project transformed a parcel of inner-city land, once part of the old B&M Railroad property, into a beautiful new elderly community with a look consistent with the area's historic past. | *Developer: Southwestern Community Services*

Featured Property



# Our Investments

We are very grateful to our investors who continued to show their commitment to our Maine and New Hampshire communities: Bangor Savings Bank, Bank of America Merrill Lynch, Citizens Bank, Gorham Savings Bank, KeyBank, Northeast Bank, People's United Bank and TD Bank (in alphabetical order). **How we invested \$21 million in 2009:**

**Abingdon Place, Goffstown, NH**  
NeighborWorks Greater Manchester  
25 family apartments

**Birch Hill, Lewiston, ME**  
Coastal Enterprises, Inc.  
20 senior apartments

**Florence House, Portland, ME**  
AVESTA Housing  
25 special needs apartments

**The Mill at Saco Falls, Biddeford, ME**  
Maine Workforce Housing, LLC  
(Nathan Szanton & Robert C.S. Monks)  
66 family apartments

**Pinecrest Apartments, Meredith, NH**  
Laconia Area Community Land Trust  
32 family apartments

**Vincent Square, Auburn, ME**  
Auburn Housing Authority  
17 senior apartments

Featured Property

Since 1996...Units: 1,860 in ME + 1,480 in NH = 3,340

## Our Asset Management

Highlights of our dedicated and detail-oriented asset management staff in 2009:

- Our portfolio continued to perform strongly in these challenging times, with an average occupancy rate of 96%, debt coverage ratio of 1:61, and net cash flow of \$733 per unit.
- Since NNEHIF's inception in 1996, we have experienced NO foreclosures, NO general partner bankruptcies, and NO loss or recapture of tax credits.
- With our partners, we celebrated two national green design awards: (a) Friedman Court II, Concord, NH, 41 senior units developed by CATCH Neighborhood Housing, and (b) Pearl Place, Portland, ME, 60 family apartments developed by AVESTA Housing.
- We worked with our partners to ensure successful lease-up of newly constructed properties and for adaptive re-use projects, including rehabilitated schools and even a converted bottling plant.
- With New Hampshire Housing and MaineHousing, we hosted a two-state property manager training which generated wide and enthusiastic participation.
- The asset management team contributed to NNEHIF's public advocacy, including (a) successfully maintaining funding of and clarifying regulations for assisted living services in Maine facilities, and (b) educating our partners on and assisting others in implementing and protecting the NH statute that enables a consistent property tax assessment of LIHTC-financed projects.
- We provided asset management consulting services to a significant stakeholder on a troubled property.
- In early 2010, we launched a NNEHIF scholarship fund to help our developer partners provide training for their staff members who perform property management.



**Lafayette School Senior Apartments, Portsmouth, NH** | A classic example of adaptive reuse, this beautiful old school has been transformed into housing for senior residents, providing the convenience of an urban setting and in close proximity to community support.  
*Developer: Portsmouth Housing Authority*

## Our Development Consulting

Our development consulting group continues to provide comprehensive services to a growing number of clients, including those developing family or senior housing projects in Maine and New Hampshire. This consulting work involves many of the NNEHIF staff, who structure transactions, assemble development teams, coordinate approvals, solve real estate ownership issues, prepare financing applications, orchestrate closings, facilitate the processing of requisitions during construction, and coordinate project close out. Given the increasingly complex nature of the affordable housing business, we expect more clients will need this specialized support.

**Pinecrest Apartments, Meredith, NH** | These 32 new family apartments were part of and redeveloped a run-down manufactured housing park into a beautiful new



Featured Property





**Florence House, Portland, ME** | This secure building offers unique special services with multiple components to help alleviate homelessness of clients by providing emergency and transitional housing. NNEHIF invested in the permanent residential portion of the building—the second and third floors. *Developer: AVESTA Housing | Services for residents: Preble Street Resource Center*

# Investments: \$325 Million

## Our Mission-Related Activities

Reflecting a strong commitment to our mission of promoting affordable housing, we worked in the following ways to assist and improve the affordable housing system in 2009:

- With Maine Affordable Housing Coalition (MAHC) and other Maine partners, we advocated for the Maine green and affordable housing bond (\$30 million) that became law in 2009. To help pass the legislation, MAHC sponsored and NNEHIF provided both staff and financial support for a study on “Housing Affordability in Maine” by the MIT Center for Real Estate.
- With various partners, especially New Hampshire Housing, we led the effort in New Hampshire to create, implement and protect the law that now provides predictable property-tax assessments on tax credit housing. The NH Revenue Department estimated the new law reduced property taxes an average of 26%.
- In coordination with other housing groups, we provided guidance and advocacy on housing bills before Congress, which led to some key changes to ensure the LIHTC program could continue to work during these difficult times.
- We successfully proposed a rule revision to the NH Public Utilities to make the greenhouse gas reduction fund available to LIHTC properties.
- NNEHIF, with New Hampshire Housing, the NH Community Loan Fund, NH Community Development Finance Authority and others, launched Housing Action NH, a new statewide advocacy group.
- We were well represented in working with housing groups, including Maine Affordable Housing Coalition, Housing Action NH, MEREDA (ME real estate developers), MREMA (ME property managers), GSMA (NH property managers), Community Housing of Maine, CATCH and NASLEF (our national trade association).
- We made \$80,000 in grants and other mission-related contributions.

a larger community improvement effort that also upgraded the roads and utilities, neighborhood for 13 families. | *Developer: Laconia Area Community Land Trust*



## Our Financials

These financial highlights are taken from the 2009 Audited Financial Statements, which include consolidated operations for NNEHIF, HIF Consulting, HIF Diversified Activities, Inc., and Housing Action New Hampshire. The complete audit can be viewed on our website: [www.housinginvestmentfund.org](http://www.housinginvestmentfund.org).

Summary  
for the  
Year Ended  
December 31, 2009

### Balance Sheet

<b>Assets</b>	
Cash & Cash Equivalents	\$ 6,953,810
Other Current Assets	\$ 589,675
Other Assets	\$ 1,015,448
Property & Equipment (Net of Depreciation)	\$ 107,613
<b>Total Assets</b>	<b>\$8,666,546</b>
<b>Liabilities &amp; Net Assets</b>	
Current Liabilities	\$ 70,897
Long-Term Liabilities	\$4,509,368
Temporarily Restricted Assets	\$ 1,125,000
Unrestricted Net Assets	\$ 2,961,281
<b>Total Liabilities &amp; Net Assets</b>	<b>\$8,666,546</b>

### Statement of Revenues and Expenses

<b>Revenue &amp; Other Support</b>	
Membership Dues	\$ 96,556
Fee Income	\$ 1,670,603
Other Income	\$ 3,015
Interest Income	\$ 73,615
<b>Total Revenue &amp; Other Support</b>	<b>\$ 1,843,789</b>
<b>Expenses</b>	
Program Expenses	\$ 1,391,211
Management & General	\$ 336,443
<b>Total Expenses</b>	<b>\$ 1,727,654</b>
<b>Excess of Revenues over Expenses</b>	<b>\$ 116,135</b>

**The Mill at Saco Falls, Biddeford, ME** | Through a newly created equity fund with TD Bank, this investment will revitalize this community by renovating an old riverfront mill building to house 66 beautiful mixed-income apartments. The historic character of the building will be preserved through the use of State historic tax credits. Building amenities will include a gym, theater, and river views. | *Developer: Szanton / Monks Maine Workforce Housing, LLC*



Featured Property

## Our Work

We are a private, nonprofit corporation that promotes housing and community development by providing equity capital, technical assistance and consulting services to affordable housing developers throughout Maine and New Hampshire.



**NORTHERN NEW ENGLAND  
HOUSING INVESTMENT FUND**

### OUR MAINE OFFICE IS MOVING!

#### UNTIL JULY 31, 2010:

183 Middle Street, 3rd floor, Portland, ME 04101

#### AS OF AUGUST 1, 2010:

75 Market Street, Suite 201, Portland, ME 04101

T 207.772.8255 | F 207.772.8241

### NEW HAMPSHIRE OFFICE

130 North Main Street

Unit 1, 2nd floor, Concord, NH 03301

T 603.224.9600

[www.housinginvestmentfund.org](http://www.housinginvestmentfund.org)

## Our People

We could not accomplish our mission without lots of support from our board and our staff.

### Board of Directors

#### Maine

Cullen Ryan, *Board Chair*  
Community Housing of Maine

Dave Birkhahn  
TD Bank

Bill Floyd  
Genesis Community Loan Fund

John Gallagher  
Westbrook Housing Authority

Kim McLaughlin  
Bank of America Merrill Lynch

#### New Hampshire

Katharine Bogle Shields, *Board Vice Chair*  
New Hampshire  
Community Development

Finance Authority

Rosemary Heard  
CATCH Neighborhood Housing

Kathleen Reardon  
Citizens Bank New Hampshire

Paul Stewart  
Stewart Property Management

Robert Tourigny  
NeighborWorks Greater Manchester

### Staff

John Anton  
*President*

Patrick Brennick  
*Deputy Director, Asset Management*

Holly Burbank  
*Deputy Director, Finance*

Kelly Campbell  
*Asset Manager*

Michelle Cyr  
*Corporate Administrative Assistant*

Maryanne Gottman  
*Asset Management Administrative Assistant*

Ignatius MacLellan  
*Vice President, External Affairs*

Jan McCormick  
*Vice President, Asset Management*

Lisa Merchant  
*Senior Acquisitions Manager*

Angie Pizzolato  
*Acquisitions Associate*

Bill Shanahan  
*Vice President, Acquisitions*