

CEDAC

2003 Annual Report
Community Economic Development Assistance Corporation

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Letter from the Chairperson and Executive Director

CEDAC MARKED another record annual loan volume in 2003, committing over \$30 million in loans to its non-profit partners. With our partners at the Department of Housing and Community Development (DHCD), we committed an all-time high of \$20 million collectively from the Housing Innovation Fund and the Facility Consolidation Fund. CEDAC also established a new high of over \$10 million in our traditional predevelopment and site acquisition loan products.

The latter accomplishment was largely fueled by CEDAC's selection as one of the two intermediary agents for a new Home Funders Collaborative loan program. Using an initial pool of \$17 million committed from four local philanthropic institutions, the Home Funders seek to encourage developers of affordable housing to produce new housing units that are affordable to families at the very lowest income tier, below 30 percent of area median income. Because they are making capital available to the Collaborative from their endowments, the participating foundations are able to offer loans at extremely low interest rates as an enticement to developers to help meet the housing needs of extremely poor families. CEDAC is proud to have been chosen to help manage the Collaborative's funds. CEDAC has already committed the Home Funders' first loan, \$1.5 million to Urban Edge to purchase a key site for affordable housing adjacent to a rapid transit station in Jamaica Plain.



CEDAC also moved aggressively to implement the expansion of its corporate authority. Last year's housing bond bill authorized CEDAC to provide its support for low- and moderate-income housing efforts anywhere in the state, expanding our reach from previously specified low-income target areas. We want to extend our sincere thanks to the House of Representatives and the Senate for approving this change, which many of our non-profit partners supported. Already in the first year, CEDAC has been able to support locally initiated housing efforts in towns like Easthampton, Williamsburg, Sandwich, and Yarmouth, all of whom were ineligible for CEDAC's assistance before its enabling legislation was amended.

We are grateful to our public sector colleagues at DHCD, MassHousing, and the MHP Fund, who are our collegial partners in so many of the efforts we undertake with the non-profit development community. We have been especially pleased to continue to work with the Affordable Housing Trust Fund (AHT), the newest resource for affordable housing developers in Massachusetts, using part of the Trust's capital as predevelopment funds for projects which eventually benefit from its permanent financing. And we remain committed to working with our non-profit partners to expand the supply of affordable housing, preserve that which already exists, and help provide the child care resources and employment and training opportunities which non-profit developers integrate with housing to help build healthy communities.




Sarah B. Young
Chairperson


Michael Gondek
Executive Director



Fenway Community Development Corporation

The Susan S. Bailis Assisted Living Community



SUSAN S. BAILIS was, along with her business partner Alan Solomont, a pioneer in the field of providing assisted living residences for the elderly. Their firm, Solomont Bailis Ventures, joined forces with the Fenway CDC to develop the city-owned site at the corner of Massachusetts Avenue and St. Botolph Street. Fenway CDC had sought to redevelop the prominent site for many years; in fact, in the 1980s, the CDC had proposed to build housing and a theater there.

This time the strength of the CDC's team prevailed. The city designated Fenway and its partners as the site's developers over stiff competition. In a three-year effort, the CDC won the support of the St. Botolph Neighborhood Association for its proposed mixed-income assisted elderly housing and assembled a complicated package of financing which would allow it to serve a healthy mix of seniors on the site. This year the CDC opened the new facility, which provides 82 units of assisted elderly housing.

Decorated in cheery colors and offering a range of services from an Internet-ready library to a full-service hair salon, the facility honors the memory of Susan Bailis, who passed away before its doors opened. ■

The Bailis Community allows residents like Elisabeth Owens, born and raised in the South End, and a devoted fan of the Boston Symphony Orchestra, to move back into her childhood neighborhood and enjoy its amenities.



Jamaica Plain Neighborhood Development Corporation Back of the Hill Community Development Corporation *Catherine H. Gallagher Housing Cooperative*



THE JAMAICA PLAIN NDC and the Back of the Hill CDC struck a unique partnership to tackle the redevelopment of some of the most challenging sites in Boston. The Heath Street corridor along the back of Mission Hill contains a series of vacant lots, which slope down at steep angles. Acquired decades ago by medical institutions and churches and then abandoned to become dumping grounds for wrecked cars, junk appliances, and old building foundations, the sites had long been considered undevelopable. The Jamaica Plain NDC is an experienced developer, and Back of the Hill is a longstanding community organization. The two CDCs spearheaded an intensive community planning process to redevelop the sites for residential use.





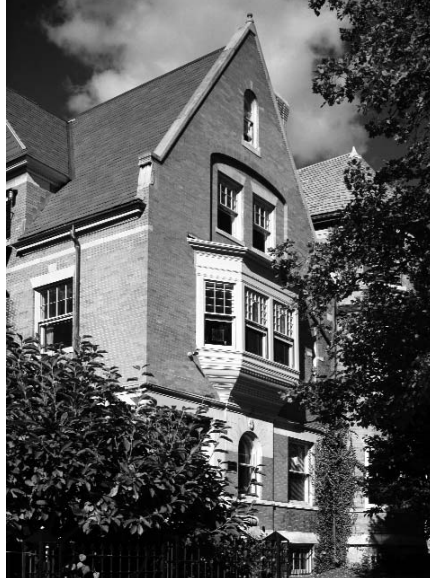
First, the CDCs built 22 attractive homeownership units. Then they launched phases 2 and 3 of the overall program. The Catherine H. Gallagher Housing Cooperative, named after the longtime leader of the Back of the Hill CDC, is a 34-unit cooperative which will offer four units to extremely low-income families. Composed of one large 20-unit apartment building with a signature metal archway, and six smaller townhouse buildings, the cooperative will offer tenants the equivalent of an ownership opportunity. Next door the developers are building 24 more homeownership units for moderate-income buyers. The completed development will present a striking new face to the neighborhood on the other side of Heath Street. Instead of burned cars and overgrown lots, the back of Mission Hill will sport strikingly designed homes for low- and moderate-income families. ■

Pine Street Inn

1754 Beacon Street, Brookline

THE PINE STREET INN has built 18 permanent residences serving almost 300 low-income working men and women since 1984, most of them in the city of Boston. Pine Street Inn's first residence was a townhouse in the affluent suburb of Brookline. Its management of that house has been so successful that, when Brookline town officials seized the opportunity to purchase a large rooming house near Cleveland Circle for rehabilitation as a single-person occupancy residence, they turned to Pine Street Inn again to own and manage the property at 1754 Beacon Street.

Once a stately brick home, the property had been chopped up into a warren of single rooms, deteriorating into a lodging house that was an unwelcome neighbor. Pine Street and its architect were able to save the many striking fireplaces in the rooms, restore much of the period detail, and carve out enough space in the formerly unusable basement and attic to create nine single-occupancy rooms and four studio units with their own kitchens and bathrooms. A range of individuals, from SSI recipients to single teachers in the Brookline public schools, will have access to the affordable units. ■



One new tenant, Otto Marks, has been living in a rooming house in Brookline for the past four years. Marks, 62, had just retired when he moved in, and hopes to find temporary work. A physical disability makes it hard for him to find work, but he is delighted to have a room with a private bathroom. "That's wonderful," Marks says, but adds he doesn't need a kitchen with a full service grocery store a few blocks away. "I'm not much of a cooker."





Domus, Inc.

The Meadows Apartments

ONCE a popular entertainment venue in Westfield's downtown area, the former Westfield Hotel and nightclub fell on hard times in recent years. The unmain-
tained building deteriorated and the nightclub, the Flamingo Room, lost its
liquor license after it became the scene of drug dealing and arrests. So when
Domus, Inc., a local non-profit social service agency, purchased the former hotel
at foreclosure for \$70,000 with a loan from CEDAC, the city of Westfield
enthusiastically supported them.

Ann Lentini, the energetic executive director of Domus, emphasized the
need for affordable housing for her agency's clients. "We have a gap here," she
said. "Those people who work in the service industries, the restaurants, retail,
even some social service agencies, are finding it so limited in what they can
afford for housing." Recent studies of housing needs show that it takes 134
percent of a Social Security pensioner's income to afford a one-bedroom
apartment in Westfield, Lentini noted. Domus assembled over \$1.5 million to
renovate the hotel building into the Meadows Apartments, comprised of 26
studio apartments. Half of the units will carry rental subsidies allowing very low-
income tenants to rent them, while the other half will be rented at a market rate
of \$385 per month.

Each of the rooms on the top two floors was individually furnished and
decorated by Lentini and community volunteers, transforming the dreary interior
into bright and cheerful residential units. Domus will consolidate a spectrum of
services for the homeless and low-income populations into a convenient service
center on the ground floor, including a new kitchen for the city's soup kitchen,
Our Community Kitchen, and the Greater Westfield food pantry. A Community
Policing office of the Westfield Police will also be located there. ■



Though Ann Lentini
couldn't entirely
maintain the ambience
of the Flamingo Room,
she was able to salvage
and recycle its wrought
iron signage for
prominent display near
the ground floor
entryway of the
Meadows Apartments.

CASCAP

Three Gems



THE LOWELL office of the Department of Mental Health notes a high incidence of psychiatric disabilities among Lowell's Cambodian community, attributed in large part to post-traumatic stress disorder stemming from the displacement of so many families after years of brutal war and civil strife in Cambodia. For many Cambodians in Lowell, lack of access to quality affordable housing exacerbates psychiatric disabilities. Local community organizations seeking to create affordable housing options within the close-knit ethnic community sought out CASCAP to help them.

CASCAP has 30 years of experience in developing, owning, and managing affordable housing, mostly in Cambridge. The agency was eager to seize upon the local commitment to serve the Cambodian population. Local organizations had identified two buildings near Merrimack and Decatur Streets that would be an appropriate site. CASCAP hammered out a program for the site which met with residents' approval: the agency would demolish the blighted wood frame house on the property to reduce density, provide off-street parking, and create green planting beds for resident use, while the handsome brick structure would be renovated into eight one-bedroom apartments for low-income Khmer-speaking Cambodians with psychiatric disabilities.

The property is in close proximity to Lowell's Cambodian community, which will allow residents of the Three Gems house to live independently while retaining the support of their family and friends who live nearby. Residents will benefit from culturally sensitive support services designed especially for their community. This unique, culturally responsive collaboration to address community mental health and housing needs is a tribute to Lowell. Why the name Three Gems? In fact, local agencies and CASCAP had consulted with a Cambodian spiritual leader, who had recommended the name for its positive associations in Cambodian religion and culture. ■



Preservation of Affordable Housing

Salem Heights

SALEM HEIGHTS represents a major affordable housing resource in the city of Salem. Built in 1974, the complex's 283 apartments have served a mix of elderly and family residents at rents well below market since its inception. So when its private owner notified HUD and the city of Salem two years ago that it planned to prepay the HUD-insured mortgage, and convert the development to market rental use, Salem Mayor Stanley J. Usovicz, Jr. vowed to preserve Salem Heights.

The complex had been built with comprehensive zoning relief from the city, and had received property tax relief through the 121A program. Roger Herzog, CEDAC's Affordable Housing Program Manager, worked intensively with the city solicitor to coordinate support from the Attorney General's office, the Governor's office, and DHCD to challenge the threatened mortgage prepayment in court, arguing that the public approvals and tax relief bound the owner to maintain Salem Heights as affordable housing for the remainder of those contract terms. The courts agreed, and enjoined the owner from moving ahead with the prepayment, notable evidence that localities can, and should, negotiate aggressively with the regulatory tools they possess to preserve affordable housing.

Faced with this united front of public agencies opposed to the loss of affordable units, the owner decided to sell Salem Heights. Preservation of Affordable Housing, Inc. (POAH), a locally based national owner of multi-family rental housing, purchased the property, and assembled the requisite mix of financing to ensure that the property will remain affordable in perpetuity. Governor Mitt Romney joined Mayor Usovicz at a press conference to herald the preservation of Salem Heights. ■



The Community Builders

Osprey Lane

THE TOWN of Sandwich has experienced rapid escalation of housing prices over the past decade, as has so much of Cape Cod. The era of rental apartments priced within reach of young working families has vanished. Concerned by this trend, community leaders leapt at the opportunity to capitalize on a ten-acre site on Osprey Lane controlled by the Sandwich Housing Authority. Without the donation of the site by the Authority, it would have been cost-prohibitive to build lower-income housing in the town.

Recognizing that the creation of new rental housing for low-income families is a complex task, the authority chose The Community Builders, a nationally recognized developer of low-income housing, to build 36 new apartments on the site. And while controversy raged within the legislature over the impact of the state's 40B affordable housing legislation, the town of Sandwich embraced the opportunity to use the 40B law to expedite local town approval for the plan.

Osprey Lane consists of nine four-unit buildings screened from each other by stands of trees, with individualized plantings and landscaping for each cluster. The units are modular construction, fabricated in a factory in Vermont and assembled on site. As Sandwich native John Walling, a new Osprey Lane resident, noted, "Housing is desperately hard to find here. It's all about trophy homes." ■



CASCAP

Auburn Street Apartments

IN CAMBRIDGE, CASCAP has restored the original 19th century house built in 1840 with Greek revival details at 196–198 Auburn Street, and replaced several smaller-scale additions, more recently constructed towards the rear of the property, with a new two-story structure. Together the entire building encompasses 4,000 gross square feet. The Auburn Street development advances the mission of CASCAP's Affordable Small Apartment Preservation (ASAP) Initiative. The initiative seeks to develop affordable rental units for individuals of low and moderate income, with a specific focus on preserving Cambridge's few remaining lodging houses. Auburn Street Apartments is the fifth property developed under the ASAP Initiative.

196–198 Auburn Street is located within a few blocks of Central Square. The building was last used as rental housing. When CASCAP purchased the property it sat vacant, in very poor condition, since proper maintenance and general upkeep had been deferred for some time. CASCAP transformed this former lodging house into two one-bedroom and five studio apartments.

The addition takes its architectural cues from the historic house, including cedar clapboards, wide corner boards, and wood windows. The main entrance and central hallway of the new building is located between the original house and the addition. From the exterior of the building, this common space will act as a visual separation between the old and new structures. Notable architectural features include multi-level one-bedroom apartments and garden-level studio apartments with private entrances. All seven apartments will be subsidized with project based rental assistance through HUD's Section 8 Program, provided by the Cambridge Housing Authority. ■





Dorchester Bay Economic Development Corporation Quincy Geneva Housing Development Corporation *Sister Clara Muhammed*

HAD IT NOT been for the swift action by the Dorchester Bay Economic Development Corporation (EDC) and the Quincy Geneva Housing Development Corporation (HDC), the Sister Clara Muhammed School would have been torn down. Built in 1911, the former Benedict Fenwick School was sold in 1980 and re-opened as the Sister Clara Muhammed School. The property was vacated in 1990 and later suffered a fire which damaged the entire roof structure. Dorchester Bay EDC and Quincy Geneva HDC formed a joint venture to salvage the building. The joint venture purchased the building after the fire, and immediately secured and insured the property. It was saved from the wrecking ball by a matter of hours.

The adaptive reuse of the school building, which has been nominated for the National Register of Historic Places, created 15 apartments. The rehabilitation followed National Park Service guidelines. The joint venture also built ten new units in five duplexes on the surrounding vacant city-owned land in the Dudley Street Neighborhood Initiative Core Area, for a total of 25 new housing units. All 25 will be part of a limited equity cooperative ownership structure. Five units are reserved for homeless families. ■

Westfield Community Development Corporation

Jefferson Street Homeownership Initiative

FOUR FAMILIES benefited from an eight-year project spearheaded by the city of Westfield and the CDC to acquire four abandoned apartment buildings on Jefferson Street, demolish them, and build new single-family homes in their place. The street is lined with pleasant, well-maintained homes, but these properties were a blighting influence. After the properties had fallen into disrepair and been vacated, the city took title to them through the tax title process. The city's goal was to ensure that new homes were built in an architectural style compatible with the neighborhood and were affordable to moderate-income buyers.

The CDC managed the construction of the new homes, each about 1,300 square feet. The homes were sold to the new owners for just over \$100,000. At the lottery drawing held in Westfield City Hall to select the lucky new homeowners, Mayor Richard Sullivan heralded the opportunity for four families in lower income brackets to realize part of the American dream by owning their own homes. ■

"We've been praying for a year to find a house," Tatyana Hoxha told the crowd gathered for the ceremonial ribbon cutting for the four new homes built by the Westfield CDC. "This is really a blessing." The CDC's lottery came at just the right time for the Hoxha family. They had been living in a one-bedroom apartment and were expecting their second child.





United Residents of Academy Homes II

Academy Homes II

IN 1968 the U.S. Department of Housing and Urban Development (HUD) undertook an ambitious social and physical experiment in the Washington Park urban renewal area of Roxbury. Confronted with a challenging site on Washington Street with severe grade changes and huge outcroppings of Roxbury puddingstone, HUD commissioned an architectural scheme to build 315 units of family housing on the site, which was named Academy Homes II. The plan attempted to use the site's grade changes to advantage, by designing access to the multi-story structures via catwalks and cuts into the rock. Unfortunately, the resulting nine-story buildings with no elevators were not functional, the project's concrete slab support structures failed, and the property suffered recurring financial difficulties. By the mid-1990s, Academy Homes II had gone through two successive defaults and foreclosures by HUD.

The Demonstration Disposition program (Demo Dispo) then underway, administered by MassHousing for HUD, was already advancing the renovation of more than 1,800 HUD-owned multifamily housing units. Academy Homes II was not part of the program, but the tenants, CEDAC, and MassHousing knew that the development needed the kind of complete makeover for which the Demo Dispo program was designed. So United Residents in Academy Homes II (URIAH), the resident body, mounted a campaign with HUD to include Academy Homes II in the program, which was ultimately successful. HUD agreed to add enough resources to Demo Dispo to allow for the demolition of the entire project, and its replacement with 236 units of handsome new townhouse-style units.



The original Academy Homes II included buildings up to nine stories high with no elevators, and weak, failure-prone slab support structures. Tenants found housing elsewhere while the original project was demolished, and many have been able to return to the replacement units.

URIAH worked with MassHousing to choose an architectural team to redesign the site and the housing units; engage in a participatory design process; plan for the relocation of the entire resident population for several years; and then orchestrate the return of the residents to their new homes. This year, after a three-year diaspora across Boston, the residents of Academy Homes are moving back into their attractive new townhouses and engaging in the process of pursuing cooperative ownership of the re-born Academy Homes II. ■



Alice Carruthers, 82, left a double-wide motor home to move into the East Mountain View Apartments after her eyesight deteriorated. She appreciates that there are always people to help her dial the phone, read her mail, and tell her how beautiful the grounds are.

The Community Builders

East Mountain View Apartments

A FORMER nurses' dormitory at the Western Massachusetts Hospital now houses 46 units of affordable assisted living housing for the elderly. The Hospital and Highland Valley Elderly Services of Northampton will provide supportive services for the residents of East Mountain View. The assisted living services will include optional use of common dining facilities, homemaking and housekeeping assistance, and nursing care.

The development will ensure that residents can exercise control over the services provided, through the Resident Quality of Life Council. Robert V. Gallant, executive director of Highland Valley, noted at the opening of the complex, "This will allow people to live as functioning members of the community. We want to create a neighborhood feeling in the building." Ruth Galette, a former nurse, said, "This place has been a godsend for me. My daughter was driving nearby and saw the sign for East Mountain View. She called, filled out an application for me, and I got in." ■

Tri-City Community Action Program

Stan Kaszanek House, Malden

“SITING AND developing programs to serve the homeless generally face enormous local opposition,” commented Tri-City Community Action Program (Tri-CAP) executive director Philip Bronder-Giroux, speaking about his agency’s long struggle to build a transitional housing facility for formerly homeless men and women in downtown Malden. “But it’s a tribute to the city of Malden’s commitment, and to our staff and board’s tenacity, that we were able to bring the Stan Kaszanek House to fruition.”

The House, named after recently deceased disability rights activist Stan Kaszanek, is fully compliant with disability requirements. The newly constructed facility will house 11 formerly homeless men and women. It features individual rooms, a common dining and living room, and shared bathrooms. Residents will be admitted to the House after they have completed a detox program, and may stay for as long as 18 months, after which time they will receive assistance in securing permanent housing.

Tri-CAP chose Shelter, Inc., a Cambridge-based shelter operator, to manage the House’s program operations. At the grand opening of the Kaszanek House, Malden Mayor Richard Howard said that the city was committed to providing a range of housing options for all its citizens, and pledged to support Tri-CAP’s efforts to serve the most needy of the local citizens. ■



Tim Lacey, a softspoken man originally from Melrose, has been living at the Stan Kaszanek House since May, following a brief period of homelessness. “I’m working toward being independent,” he says. With Tri-CAP’s help, Lacey will be moving into an apartment in Malden, looking for a part-time job, and beginning a computer training program. “It’s been a good experience,” he says. “I have the opportunity to use this as a base camp. We make our own breakfast and lunch, and [staffer] Ruth makes really nice dinners.” Comments fellow resident Lee Barchard, “It’s like a family here.”



Riverside Community Care

100 Chestnut Street, Wakefield

THE ROOTS of the Riverside Community Mental Health and Retardation Center (commonly known as Riverside Community Care) go back 36 years. Riverside provides housing and supportive services to more than 10,000 people a year, most of them clients of the Departments of Mental Health and Mental Retardation. The organization has grown into a full service operation which ensures that people are served in their own communities with a broad range of services.

Riverside had leased the Victorian home at 100 Chestnut Street in Wakefield from a private landlord for eight years. The rent had continued to rise dramatically in the overheated housing market; at its last lease renewal, Riverside faced a monthly rent of \$2,700, not including utilities and maintenance. Despite Riverside's best efforts, the house was in poor physical condition, and suffered from considerable deferred maintenance. When the owner gave Riverside an option to purchase the property, the agency jumped at the chance to stabilize its hold on the house and to upgrade its condition.

Riverside used financing from DHCD's Facilities Consolidation Fund and Housing Stabilization Fund. With the public capital, Riverside was able to invest in a substantial upgrade of the property, restoring it to a beautiful Victorian residence. At the same time, the agency was able to reduce its monthly occupancy costs by over half, saving the Department of Mental Health operating funds which can now be used to provide better direct services to the clients of the house. ■

Manchester Affordable Housing Corporation

12 Summer Street



ONE OF THE MAIN benefits of the changes to CEDAC's enabling legislation last year is that the agency can now provide assistance to affordable housing efforts anywhere in the Commonwealth. The housing rehabilitation and production program launched by the Manchester Affordable Housing Corporation (MAHC) is an excellent example of the kind of local leadership that CEDAC wants to support.

Manchester is one of the state's priciest communities. Low-income rental housing is especially scarce. MAHC initiated a first phase of development on Summer Street, in the downtown area, with the rehabilitation of a 21-unit apartment building into mixed income rental housing. With that project underway, MAHC turned its sights to production of mixed-income homeownership on adjacent land. There the corporation will build 14 new townhouse condominium units, five of which will be set aside for first-time homebuyers. In total, the locally driven effort will produce \$12.5 million in capital investment in affordable housing. Regina Ville, the president of MAHC, said, "The whole project is quite ambitious and really needed in town. It's a great location, right across from the train station and a grocery store. It's very accessible to people." ■

Urban Edge

Egleston Youth Center



THE CREATION OF the Egleston Youth Center at 3134 Washington Street in Jamaica Plain grew out of the crisis caused by escalating violence in the neighborhood. In 1991, the shooting death of a young man in front of the building galvanized the community to advocate for a youth facility in the neighborhood. Over the past eleven years, the youth center has seen several stages of development and improvements, culminating in this year's achievement of complete renovation.

The youth center, which is home to the Egleston Square YMCA, Greater Egleston Community High School, and Our Place Theater Project, Inc., is now equipped with state-of-the-art computer technology, expanded arts and theater facilities, and a spacious multipurpose room for programs, athletics and community meetings. Urban Edge has almost completed its \$2.1 million capital campaign for the renovations.

Over 400 guests joined Mayor Thomas M. Menino in opening the newly renovated center, with the

facility abuzz with everything from testimonies describing the positive impact of the new space, to an amazing showcase of local youth talent through song, dance and drama.

"I am proud of our investment in this building and in Egleston Square," Menino said. "After years of economic decline, public and private investment in this neighborhood has increased substantially. The renovation of the Egleston Square Youth Center further contributes to the revitalization of this community." Thomas D. Payzant, Superintendent of the Boston Public Schools, remarked, "Thanks to the work of Urban Edge, the YMCA and the many other public, private and community-based partners, the Egleston Square Youth Center has gone from dream to reality. Now and for many years in the future, young people will have a positive, safe environment in which to learn, grow and excel." ■

Mission Hill Neighborhood Housing Services

One Brigham Circle



ONE BRIGHAM CIRCLE won't be confused with One Financial Center, or One International Place for name recognition in Boston's real estate world. But in the world of neighborhood-based real estate development, it is very big news indeed. Very few neighborhood developers have brought to fruition commercial development of this scale: 115,000 square feet of office space leased to Partners Health Care; 61,000 square feet of retail space including a major supermarket, two banks, and a drug store; and a five-acre park with walking trails and a stupendous view of the downtown skyline.

For the sponsor, Mission Hill Neighborhood Housing Services (NHS), this fall's opening of One Brigham Circle marked the culmination of ten years of community planning, seeking development partners, and lining up the tenants and financing to convert the neighborhood's vision into reality. NHS's board president Patricia Flaherty summed up the neighborhood sentiment at the opening of the new Stop and Shop supermarket. "I've gone to many openings and groundbreakings over the last 20 years, but the emotion at this event is overwhelming. We have a grocery store like every other neighborhood—a place for neighbors to gather. Residents don't have to leave, they can shop in Mission Hill. With the completion of the plaza, park, and neighborhood shops, One Brigham Circle is Mission Hill's community center."

A partnership of the NHS, Northland Development, and the New Boston Fund made the dream real. Jerry Rappaport, president of the New Boston Fund which brought in most of the financing, said "It took me about 20 seconds to make the decision to invest in this project. This is the role model for a perfect mixed-use development that benefits the community." ■

Child Care Capital Investment Fund

Family Child Care Environments Training

CREATING QUALITY child care environments on a tight budget was the theme of the FUND's new one-day training for the family child care community this year. FUND staff tracked down more than 20 family child care providers who have particularly high-quality space, and photographed the creative and beautiful ways they had dealt with the typical space challenges they face.

The training was built around dozens of these images—of a “hello-goodbye window,” a cozy infant sleeping area, a beautiful and well-placed entry area bench, a tiny but effective office nook—so that providers, whose long hours often prevent them from visiting others' homes, could be inspired to develop new ideas about their own spaces. The training gave providers ideas about how to improve their space by strategically changing room layouts, using paint and color creatively, adding or varying lighting, and selectively purchasing new equipment and furniture. By viewing slides of high-quality family child care spaces, and through design exercises where providers lay out an actual family child care home, providers learn to see their own space with new eyes.

The 90 family child care providers who attended FUND trainings in Boston, Cambridge, and Lowell gave the material glowing reviews. Said one, “I really enjoyed this workshop and feel like going home and tearing the house to pieces and reorganizing!” ■

Boston-based family child care providers work on laying out their ideal child care space.





Crispus Attucks Children's Center

THE CRISPUS Attucks Children's Center (CACC) is one of the pre-eminent resources for families in the Roxbury, Dorchester and Mattapan communities. The 234 children CACC serves are 100 percent minority, 89 percent of them African-American. But several years ago CACC faced daunting challenges in upgrading its campus. Many building components were deteriorating, due to years of budget constraints and deferred maintenance. The facility needed a broad range of interior and exterior improvements to its infant, toddler and preschool classrooms. Windows, roofs, and the heating and ventilation system needed replacement. The interior needed repainting, ceilings were in poor condition, and the floors were worn. There was virtually no place to store cots, or teacher and classroom supplies.

Determined to find a way to upgrade its facilities, CACC has been substantially renovating two classrooms at a time. Through significant financial support from the FUND, the Department of Education through the 0-8 Coalition, fundraising, and local bank financing, CACC has renovated ten of its twelve classrooms and has created three additional classrooms for infants and toddlers.

CACC's space works much better for both staff and children. The infant space now features separate areas for eating, sleeping, and playing. New toddler and preschool bathrooms were built. New cubbies and counters with a child-level sink for water play were added to each classroom, along with storage closets and teacher workstations. New finishes were installed throughout, and the rooms were painted and carpeted in warm and cheerful colors. CACC was also able to create new office space, a reception area, a conference room, and a much-needed staff lounge. The space feels bright, airy, and welcoming for children, teachers and parents. ■

Boston Health Care and Research Industry Training Institute



THE BOSTON Health Care and Research Training Institute is a collaboration of eight major employers in the health care and research sector, one union, four community organizations, two community colleges, and the Boston Private Industry Council. The Institute's goals are to:

- address critical skills shortages for health care and research employers and enable them to fill vacancies with skilled staff and increase job retention;
- provide multiple levels of training for front-line employees that enable them to build skills and move along career pathways that provide sustaining wages; and
- develop a sustainable model for providing ongoing training and education services for front line employees in the industry.

The Institute has grown out of Bridges to the Future, a career ladders program launched by the Fenway CDC and

the Jamaica Plain NDC. The formation of the Institute brings together Beth Israel Deaconess Medical Center, Brigham and Women's Hospital, Children's Hospital Boston, Dana Farber Cancer Institute, Faulkner Hospital, Harvard Medical School and School of Dental Medicine, New England Baptist Hospital and Spaulding Rehabilitation Hospital—who collectively represent 35 percent of health care and research employment in Boston.

Sandra Fenwick, chief operating officer of Children's Hospital, said, "We want residents of Boston to see each of our institutions as places where they can build careers—places where they can move up through the organization and have opportunities for growth and advancement, places where they can build skills, increase wages, and increase their responsibilities. Bridges is helping us to reach new and previously untapped potential in this city."

The Institute will provide education and training services for 550 employees drawn from among the eight employers, with significant release time offered by employers. The trainings are supplemented by one-on-one career coaching for employees, to provide assistance and support in charting a career path and moving along that career path. Troy Griffith, a medical record file clerk at Children's Hospital, commented: "Bridges was the beginning for me of building a career. It helped me see the possibilities and understand how to get there. I am now enrolled in a surgical technician program and will start college this fall." ■



Funders

CEDAC's activities are made possible with the generous assistance of the agencies, foundations and corporations listed below. We are very grateful for their continuing support.

Department of Housing and Community Development, Commonwealth of Massachusetts

Massachusetts Housing Partnership Fund

HomeFunders, LLC

MassHousing Affordable Housing Trust Fund

Department of Neighborhood Development, City of Boston

U.S. Department of Housing and Urban Development

The Paul and Phyllis Fireman Foundation

Highland Street Connection

The Massachusetts Life Insurance Community Investment Initiative

The Metropolitan Life Insurance Company

The Boston Foundation

The Hyams Foundation

Citizens Bank

Boston Private Bank & Trust

Fleet Boston

Wainwright Bank & Trust

United Way of Massachusetts Bay

Federal Home Loan Bank of Boston

The Surdna Foundation

Herman and Frieda L. Miller Foundation

Boston After-School for All Partnership

Harvard University

Management Consulting Services

The Rockefeller Foundation

Anonymous

The John Merck Fund

Fleet Boston Charitable Trust Services

Fleet Boston Financial Foundation

Mellon Bank

State Street Bank and Trust

Massachusetts Rehabilitation Commission

Anonymous

Social Concerns Committee, First Parish in Lincoln

Financial Statements

Statement of Net Assets June 30, 2003

	Enterprise Funds					Total
	Operating Funds		Loan Funds			
	Operating and Fixed Asset Fund	Restricted Program Funds	CEDAC Loan Funds	Loan Funds Under Management		
ASSETS:						
CURRENT ASSETS:						
Cash and cash equivalents	\$ 936,784	\$ —	\$ —	\$ —	\$ 936,784	
Restricted cash and cash equivalents, including approximately \$14,870,000 committed to borrowers for loans	—	155,090	2,237,410	16,707,603	19,100,103	
Accounts receivable	121,301	26,671	8,372	2,035	158,379	
Grants receivable	46,985	—	—	—	46,985	
Loans receivable, net of allowance of uncollectible loans of \$33,224	—	—	42,247	589,000	631,247	
Net interfund receivables	133,064	801	1,248,734	(1,382,599)	—	
Other current assets	12,782	—	—	—	12,782	
Total current assets	1,250,916	182,562	3,536,763	15,916,039	20,886,280	
OTHER ASSETS:						
Security deposit	8,328	—	—	—	8,328	
Long term investments	—	—	1,261,834	—	1,261,834	
Loans receivable, net of allowance for uncollectible loans of \$935,251	—	—	2,179,430	4,665,178	6,844,608	
Fixed assets, net of accumulated depreciation	63,795	—	—	—	63,795	
Total other assets	72,123	—	3,441,264	4,665,178	8,178,565	
Total assets	\$1,323,039	\$182,562	\$6,978,027	\$20,581,217	\$29,064,845	
LIABILITIES AND NET ASSETS:						
CURRENT LIABILITIES:						
Accounts payable and accrued expenses	\$ 14,325	\$ 9,722	\$ 8,548	\$ 3,778	\$ 36,373	
Deferred revenue	219,004	—	—	375,000	594,004	
Deferred compensation payable	28,390	—	—	—	28,390	
Accrued compensation	65,705	—	—	—	65,705	
Total current liabilities	327,424	9,722	8,548	378,778	724,472	
NOTES PAYABLE TO FUNDING SOURCES:	—	—	3,000,000	20,202,439	23,202,439	
Total liabilities	327,424	9,722	3,008,548	20,581,217	23,926,911	
NET ASSETS:						
Invested in capital assets, net of related debt	63,795	—	—	—	63,795	
Restricted net assets—						
Expendable net assets	—	172,840	—	—	172,840	
Unrestricted net assets	931,820	—	3,969,479	—	4,901,299	
Total net assets	995,615	172,840	3,969,479	—	5,137,934	
Total liabilities and net assets	\$1,323,039	\$182,562	\$6,978,027	\$20,581,217	\$29,064,845	

Note: These figures are derived from CEDAC's audited financial statements. A complete audit is available upon request.

Statement of Revenues, Expenses, and Changes in Net Assets for the Year Ended June 30, 2003

	Enterprise Funds				
	Operating Funds		Loan Funds		Total
	Operating and Fixed Asset Fund	Restricted Program Funds	CEDAC Loan Funds	Loan Funds Under Management	
OPERATING REVENUES:					
Earned revenue and other	\$ 684,769	\$ 72,505	\$ —	\$ —	\$ 757,274
Government contracts	749,074	—	—	—	749,074
Interest	17,919	1,597	228,746	441,040	689,302
Contract revenue	—	—	—	442,853	442,853
Restricted grants and contributions	203,327	90,000	—	—	293,327
Loan loss reserve adjustment	—	—	11,972	—	11,972
Net decrease in note payable	—	—	—	(13,916)	(13,916)
Management fees expense	—	—	—	(248,272)	(248,272)
Contract expense	—	—	—	(442,853)	(442,853)
Total operating revenues	1,655,089	164,102	240,718	178,852	2,238,761
OPERATING EXPENSES:					
Employee compensation	1,085,091	—	—	—	1,085,091
Contracted services	243,922	—	—	300	244,222
Rent	209,877	—	—	—	209,877
Interest	—	—	154,015	16,919	170,934
Provision for loan losses	—	—	—	160,493	160,493
Grants and related expenses	—	107,426	—	—	107,426
Depreciation	48,556	—	—	—	48,556
Legal	38,151	—	—	1,140	39,291
Supplies	25,706	—	—	—	25,706
Travel	18,471	—	—	—	18,471
Accounting and audit	17,168	—	—	—	17,168
Printing	14,250	—	—	—	14,250
Staff development	13,624	—	—	—	13,624
Other expenses	11,825	—	—	—	11,825
Telephone	11,010	—	—	—	11,010
Postage and messengers	10,823	—	—	—	10,823
Insurance	9,449	—	—	—	9,449
Maintenance and repair	7,192	—	—	—	7,192
Memberships	6,825	—	—	—	6,825
Utilities	4,470	—	—	—	4,470
Temporary help	3,233	—	—	—	3,233
Publications and subscriptions	3,014	—	—	—	3,014
Total operating expenses	1,782,657	107,426	154,015	178,852	2,222,950
Changes in net assets from operations	(127,568)	56,676	86,703	—	15,811
UNRESTRICTED GRANTS AND CONTRIBUTIONS	25,000	—	—	1,166,667	1,191,667
LOSS ON EQUIPMENT DISPOSALS	(2,052)	—	—	—	(2,052)
FUND TRANSFERS	92,857	—	1,073,810	(1,166,667)	—
Changes in net assets	(11,763)	56,676	1,160,513	—	1,205,426
NET ASSETS, beginning of year	1,007,378	116,164	2,808,966	—	3,932,508
NET ASSETS, end of year	\$ 995,615	\$ 172,840	\$ 3,969,479	\$ —	\$ 5,137,934

Note: These figures are derived from CEDAC's audited financial statements. A complete audit is available upon request.

Notes to Financial Statements

(1) OPERATIONS, NONPROFIT STATUS AND SIGNIFICANT ACCOUNTING POLICIES

OPERATIONS AND NONPROFIT STATUS

Community Economic Development Assistance Corporation (CEDAC) is a quasi-public corporation established under Chapter 40 H of Massachusetts General Laws in 1978 and is discretely presented as a component unit in the Commonwealth of Massachusetts' Comprehensive Annual Financial Report. CEDAC provides a range of development assistance programs to nonprofit development corporations throughout the Commonwealth of Massachusetts to expand the supply of affordable housing and foster the revitalization of economically distressed areas.

In 1997, CEDAC assumed corporate control of the Child Care Capital Investment Fund, Inc. (the Fund), a corporation originally established as a controlled affiliate of the United Way of Massachusetts Bay (United Way). The Fund's mission is to improve the quality and expand the availability of early child development programs for low and moderate income families in Massachusetts through investment in center-based and family-based preschool and school-age child care facilities. The Fund is a separate tax-exempt corporation, exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Both CEDAC and the Fund are exempt from Federal income taxes as organizations formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code. Donors may deduct contributions made to CEDAC and the Fund within the Internal Revenue Code regulations.

SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – GASB Standards

The accompanying general purpose financial statements were prepared on the accrual basis. Because CEDAC is a quasi-public corporation, its accounting policies and financial statement presentation is governed by standards issued by the Governmental Accounting Standards Board (GASB). CEDAC has adopted GASB Statement No. 34, "Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments." GASB Statement No. 34 outlines financial reporting requirements for state and local governments. CEDAC is considered a special purpose government organization that conducts only business-type activities within the meaning of GASB Statement No. 34 and, therefore, only has enterprise funds within its proprietary fund. CEDAC has no governmental funds. As such, CEDAC is not required to present government-wide combined financial statements, but rather only the accompanying combined fund financial statements. In applying the provisions of GASB No. 34, organizations like CEDAC can use standards applicable to proprietary fund accounting, and need not follow the provisions of governmental fund accounting. Consistent with the provisions of GASB Statement Nos. 14 and 39, the Fund does not meet the definition of a component unit of CEDAC because its financial resources are not held or used for the primary benefit of CEDAC. A separate audit of the Fund is performed.

Classification of Net Assets

CEDAC's financial resources are organized in the following major funds:

Operating Fund—The Operating Fund represents the portion of unrestricted expendable funds that are used to support CEDAC's operations and accounts for funds for which CEDAC has met imposed restrictions in accordance with funding agreements or management contracts. The Board of Directors has designated a portion of the Operating Fund to serve as an operating reserve and a portion to fund loan losses. The policy outlined by the Board is to first fund an operating reserve and then to reserve for potential extraordinary loan losses. As of June 30, 2003, CEDAC had set aside \$790,691 for the operating reserve and \$141,129 to fund loan losses. To the extent possible and as loans are forgiven, the Board may authorize the transfer of loan loss reserve funds to the Loan Funds to help maintain lending capacity.

Fixed Asset Fund—The Fixed Asset Fund is used to account for all property and equipment purchased by CEDAC and used in operations. Property and equipment is recorded at cost, or if donated, at its fair market value at the date of donation. Depreciation is provided in amounts sufficient to allocate cost to operations over the estimated useful lives of the underlying assets, using the straight-

line method. Net fixed assets are presented on the accompanying statements of net assets as net assets invested in capital assets, net of related debt.

Restricted Program Funds—Restricted Program Funds are those funds contributed by donors to fund special CEDAC programs and are classified as Restricted Expendable Net Assets. Contributions are recorded as program revenue in the restricted program funds as they are received. As funds are expended under the program in accordance with the donor-imposed restrictions, they are reported as expenses on the accompanying statements of revenues, expenses and changes in net assets.

Included in the Restricted Program Funds at June 30, 2003, are those funds associated with the Workforce Development Initiative (WDI) and the Capacity Building Coalition (CBC). These programs provide training, technical assistance, and professional development services to assist community-based organizations to improve the quality and scope of their education and training programs for low-income people.

CEDAC Loan Funds—The CEDAC Loan Funds consist of a portion of unrestricted net assets designated by the Board of Directors and of additional debt capital which is used as a loan fund to assist eligible nonprofit organizations in covering predevelopment costs for the acquisition, construction or rehabilitation of residential, commercial and industrial real estate. During 2003, the MHP Fund forgave \$1,166,667 of its note receivable from CEDAC, resulting in a \$1,166,667 grant recognized in the CEDAC Loan Funds and a transfer from Loan Funds Under Management. These grants are reported as part of unrestricted net assets as of June 30, 2003. Most loans receivable are classified as long-term assets on the statements of net assets because the collection of these loans is generally based on the progress of the development project and is not readily determinable. Those loans that fund the acquisition of properties and have a specific loan term are allocated between current and long-term loans receivable based on stated maturities. Debt capital is reported on the statements of net assets as notes payable to funding sources.

Loan Funds Under Management—Loan Funds Under Management include those loan funds capitalized at CEDAC by various funders. These loan funds are managed by CEDAC under management contracts with the funders which outlines the use of the loan corpus and its accumulated interest. The managed loan funds are reflected on the general purpose financial statements as notes payable to funding sources (see Note 2). Under these management contracts, CEDAC is allowed to charge certain administrative expenses and loan loss provisions directly to the loan fund and they are shown as direct loan fund expenses in the accompanying statements of revenues, expenses and changes in net assets. During 2003, the MHP Fund forgave \$1,166,667 (see above).

(2) NOTES PAYABLE TO FUNDING SOURCES

Loan funds managed by CEDAC are governed by contracts which outline the uses of funds, restrictions and covenants imposed by the funders. CEDAC was in compliance with all restrictions and covenants as of June 30, 2003. Note payable balances include:

- The Massachusetts Life Insurance Community Investment Initiative (Life Initiative) Loan Fund is used to provide predevelopment and acquisition loans to nonprofit organizations to construct or rehabilitate affordable housing. Acquisition loans are secured by first mortgages. The term of the loan is five years, with the principal balance due at maturity. Interest is payable quarterly at a rate of 5%.
- Home Funders Collaborative Loan Fund—The Home Funders Collaborative, LLC (Home Funders) have committed \$5.5 million to CEDAC to fund primarily acquisition and predevelopment loans to projects where a minimum of twenty percent of the housing units will support families with incomes at or below thirty percent of median income. Acquisition loans are secured by first mortgages. During 2003, the Home Funders capitalized the loan fund with an initial installment of \$1,385,000. The term of the loan is ten years, with the principal balance due at maturity. Interest is payable semi-annually at a rate of 1%. The balance of the commitment was received subsequent to June 30, 2003, and is not reported in the accompanying general purpose financial statements.
- The Massachusetts Housing Partnership (MHP) Loan Fund is used to provide predevelopment loans to nonprofit organizations to construct or rehabilitate affordable housing. Under the terms of a contract amendment executed in 2003, CEDAC's payable to the MHP Fund was reduced by \$1,166,667, the amount of capital funds MHP received from the

Note: These figures are derived from CEDAC's audited financial statements. A complete audit is available upon request.

Commonwealth of Massachusetts Department of Housing and Community Development during fiscal year 2003. All remaining principal and interest accrues to the MHP Fund. The current contract expires in June, 2004.

- **The City of Boston Department of Neighborhood Development (DND) Loan Fund** authorized the capitalization of a revolving loan fund of funds held at CEDAC to be used to provide loans to governmentally-assisted projects in the City of Boston. By the terms of the contract, all principal and interest accrues to the DND Loan Fund.
- **The Massachusetts Housing Partnership (MHP) Acquisition Loan Fund** includes a \$3 million line of credit with the MHP Fund to provide additional funding for real estate acquisition loans secured by first mortgages. The line of credit allows for annual reviewed renewal options. The current term expires in June, 2006. The line of credit carries an interest rate of prime (currently 4%) minus 1.25%, due quarterly. Loans drawn from the line of credit have a maximum term of 24 months. Recourse to CEDAC is limited to the greater of \$250,000 or 10% of the outstanding loan amount.
MHP has provided an additional \$400,000 to allow CEDAC greater flexibility in underwriting the acquisition loans to nonprofit developers. CEDAC may use these funds to make loans to borrowers on more flexible terms or make principal and interest payments if nonprofit developers are delinquent in making payments to CEDAC. The balance, net of allowances of \$375,000 is included in the general purpose financial statements as deferred revenue at June 30, 2003.
- **The Housing Stabilization Fund (HSF) Acquisition Loan Fund—**The Department of Housing and Community Development (DHCD) capitalized the HSF Acquisition Loan Fund in the amount of \$350,000 to provide additional capital to allow CEDAC greater flexibility in underwriting acquisition loans to nonprofit borrowers. During 2003, DHCD committed an additional \$1 million to support the HSF Acquisition Loan Fund. The additional \$1 million capitalization was received in August, 2003. CEDAC records capitalizations as the capital is received from the funding source. Therefore, no amounts have been recorded as of June 30, 2003, in connection with the \$1 million. The term of the current HSF agreement is five years and all principal and interest accrues to the loan fund.
- **The Affordable Housing Trust (AHT) Predevelopment Loan Fund—**During 2002, the Massachusetts Housing Finance Agency (MassHousing) capitalized a \$1,000,000 AHTF Predevelopment Loan Fund from the Commonwealth's Affordable Housing Trust Fund to fund predevelopment loans to nonprofit borrowers undertaking projects that meet the preferences outlined in the AHT guidelines. During 2003 MassHousing capitalized an additional \$650,000 to support the AHTF Predevelopment Loan Fund. The agreement allows for additional annual capitalizations by MassHousing through the expiration date of June, 2005, subject to the annual capitalization of the AHT by the Commonwealth. Under the terms of the agreement, all principal and interest accrues to the loan fund.

Notes payable to these funding sources (see Note 3) consist of the following as of June 30:

	2003
Life Initiative Predevelopment Fund	\$ 1,250,000
Life Initiative Acquisition Loan Fund	1,750,000
Home Funders Collaborative Loan Fund	1,385,730
MHP Loan Fund	1,676,505
PFJ Loan Fund	465,378
MHP Acquisition Loan Fund	500,000
HSF Acquisition Loan Fund	355,081
AHT Predevelopment Fund	1,513,024
Net HIF/FCF (see Note 3)	14,306,721
	<u>\$ 23,202,439</u>

(3) UNDERWRITING AND FISCAL AGENT SERVICES AND LOANS PAYABLE

- **Lending Line of Credit—**In July, 2002, CEDAC obtained a \$2,000,000 line of credit from a local bank to help maintain liquidity in lending capacity, while investing a portion of loan capital in investments with longer term maturities. Borrowings will bear interest at LIBOR plus .85%, and the line of credit expires July, 2004. A cash account and certain investments are held as collateral by the bank. No balances were outstanding on June 30, 2003.

CEDAC serves as underwriter and fiscal agent for Housing Innovations Fund and Facilities Consolidation Fund loans that are committed by the Department of Housing and Community Development (DHCD). Upon closing of each loan, DHCD generally disburses loan proceeds and related fees to CEDAC for disbursement to the designated borrowers. Notes and mortgages executed in connection with each loan are assigned to CEDAC, which is responsible for the collection of loan repayments. CEDAC and its officers, directors and employees are not liable to DHCD for any losses on loans not repaid or otherwise recovered. DHCD is also responsible for monitoring the performance of these loans.

- **The Housing Innovations Fund (HIF)** was funded by \$116 million in general obligation bonding authority. The funds are used to support subordinated deferred payment mortgage loans to specific affordable housing projects owned by nonprofit organizations. In addition to CEDAC's role in lending of HIF funds, it also acted as disbursing agent for \$442,853 of HIF funds disbursed under contracts with recipient organizations during the year ended June 30, 2003.
- **The Facilities Consolidation Fund Pooling Program (FCF)** was funded by \$50 million in general obligation bonding authority. The funds are used to support subordinated deferred payment mortgage loans to nonprofit organizations. FCF program loans are targeted to clients leaving state supported facilities operated by the Massachusetts Department of Mental Retardation (DMR) and the Massachusetts Department of Mental Health (DMH).

By agreement with DHCD, a fee is paid to CEDAC to cover the administrative costs of underwriting these mortgages. Interest earnings on these funds are added to the note payable balance until returned to the funding source. HIF and FCF notes payable are presented in the general purpose financial statements net of loans receivable at June 30, 2003.

Gross loans receivable and notes payable by loan program are as follows:

2003	HIF	FCF	Total
Note payable, June 30, 2003	\$ 79,657,471	\$ 26,475,143	\$ 106,132,614
Less—loans receivable, June 30, 2003	70,329,739	21,496,154	91,825,893
Net note payable, June 30, 2003	\$ 9,327,732	\$ 4,978,989	\$ 14,306,721

(4) LOANS RECEIVABLE

CEDAC loans receivable consist of amounts advanced on predevelopment and acquisition loan commitments at June 30, 2003. CEDAC classifies all loans as long-term, except in cases where the funding source stipulates a maximum loan term. CEDAC predevelopment loans are generally unsecured and bear interest at rates between 0% and 7%. Acquisition loans are prime-based variable rate loans or loans of fixed rate up to 8%, and are secured by a first mortgage on the property acquired.

Loan receivable balances of CEDAC include:

2003	Loan Balance	Allowance (See Note 5)	Net Loan Receivable
Predevelopment loans	\$ 4,800,927	\$ (855,555)	\$ 3,945,372
Acquisition loans	3,643,403	(112,920)	3,530,483
Total	8,444,330	(968,475)	7,475,855
Less – current portion	664,471	(33,224)	631,247
Long-term portion	\$ 7,779,859	\$ (935,251)	\$ 6,844,608

(5) ALLOWANCE FOR UNCOLLECTIBLE LOANS

The allowance for uncollectible loans has been allocated to the long-term and current portions of the loan portfolio based on identification of the risk of loss associated with individual loans.

Note: These figures are derived from CEDAC's audited financial statements. A complete audit is available upon request.

CEDAC Board of Directors

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KAMILIAH POMPEY

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CAROLYN WILLIAMS

Accountant

THERESA M. WILLIAMS

Senior Project Manager

The Community Economic Development Assistance Corporation (CEDAC) is the Commonwealth of Massachusetts' technical assistance provider for non-profit, community-based development organizations. Established by the Massachusetts Legislature in 1978, CEDAC has helped residents of Massachusetts restore their communities as stable and vibrant places in which to live and grow. CEDAC is governed by a nine-member Board of Directors appointed by the Governor of the Commonwealth. It is a 501(c)(3) tax-exempt organization.



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