

HAPHOUSING REPORT

A PIVOTAL YEAR

Impact, outcomes, quality, and effort. *Story inside.*



from the desk of Peter Gagliardi:

“FY2016 marks our first full year of actualizing our strategic plan. In this report you will find organizational success indicators by which we measure progress.”

More from Peter on page 2.

In this report:

- 134%
- 173%
- 71%

What gets measured gets done.

The Score **457** to ZERO

A MAJOR VICTORY was achieved in western Massachusetts in FY2016. HAPHousing and our partners reduced the number of motel rooms being used as temporary shelter to zero. How did we do it? The Secure Jobs Program was an important tool in our efforts - moving people from vouchers to jobs.

For more see story on page 2.

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LONG RANGE FORECAST: *Bright and Sunny*

WHAT A YEAR!



EDITORIAL



HAPHousing is a capable and highly successful nonprofit agency with more than 40 plus years' experience addressing the affordable housing needs of our region. Through our efforts, many individuals and families across a spectrum of needs have safe, affordable places to live. Our mission-driven organization is considered the go-to agency by funders and state officials. HAPHousing is also recognized as a high performer by NeighborWorks America, a national housing organization funded by Congress.

Given the nature of our business and our track record of accomplishments, you might anticipate an annual report that describes FY2016 as a year of "maintaining and sustaining." From my vantage point, I am able to characterize the past year differently.

In fact, the year was pivotal.

It's important to credit the critical work that was completed in 2014 and adopted by our board of directors in 2015—work that engaged our entire organization in a strategic planning process. The process yielded an expansive five-year plan and a new long-term vision for the organization. Simply put, our work will be guided by the realization that safe, healthy, economically and socially thriving communities depend on housing diversity.

FY2016 marks our first full year of implementing our strategic plan. In this report you will find organizational success indicators by which we measure progress and our first year results. I am sure you have heard the adage, "What gets measured, gets done." We evaluate impact, outcomes, quality and effort against meaningful indicators. We will also present a deeper dive into several areas of focus and stories that demonstrate impact.

We made significant investments in our organization. We grew our staff in areas that perfectly align with our strategic plan. We acquired MBL Housing and Development, Inc., a long time consulting firm in the field of affordable housing development. We issued an RFP that would result in the hiring of a firm to lead us through a rebranding process that is currently underway.

Our organization is in the midst of dynamic change. I can say, without hesitation, that I have never been prouder of our people and the progress they have made in this past year. An exciting future is in the making at HAPHousing.



Peter Gagliardi serves as President & CEO of HAPHousing. He has served in that capacity for the past 25 years.

Parsons Village goes SOLAR

EASTHAMPTON is home to the first state funded affordable housing project whose aim is zero net energy. Managed by HAPHousing, the 38-unit, seven building community is one step closer to its energy goal. In FY2016, solar panels were installed, projected to save approximately \$6,000 in energy costs annually and generating thousands in solar credits.



According to residents, Parsons Village has more going for it than energy efficiency. There's a real sense of community that does not go unnoticed by residents and visitors. Beautifully designed, well-built and effectively managed affordable housing adds vitality to the larger community. Households with incomes below 60% of the area media income are eligible to live at Parsons Village. In 2016, a family of four with an income below \$52,200 would qualify. It's important to note: Easthampton's home prices have been dramatically rising. New resident, Kim Kirkwood who recently moved from an apartment complex in Sunderland to Parsons Village summed up her feelings, "I love it here." The question may be, who wouldn't?

Employment: An alternative in the face of voucher shortage

HAPHousing offers employment strategies to re-house and stabilize homeless families.

3-YEAR RECAP

Placed **440** individuals in jobs
Retention rate: **86%** at **12 mo.**

Average wage: **\$12.61**

FY16 RECAP

Individuals employed: **158**
Families moved from shelter to rental assistance units: **37**
Families moved from rental assistance to market rate housing: **41**
Families moved from shelter to market rate housing: **4**

Preventing Homelessness

Families Assessed

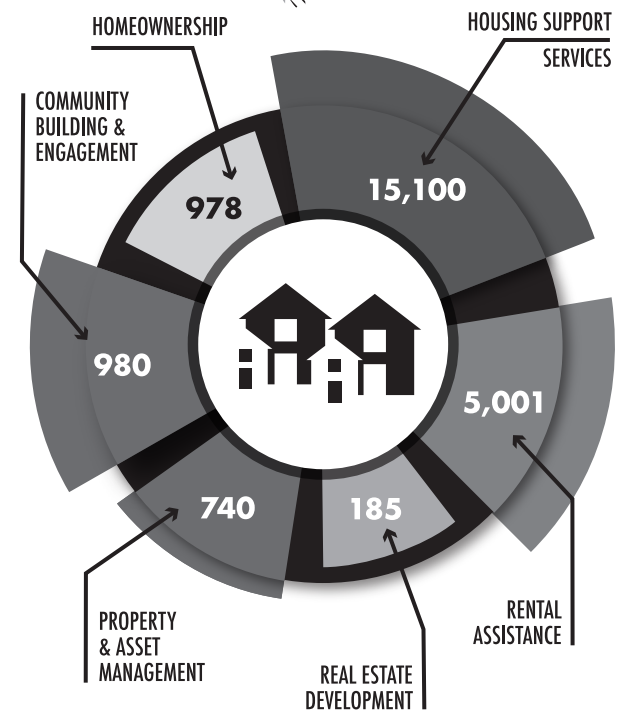
Families Funded

795

85%

RESIDENTIAL ASSISTANCE
for families in transition

FY2016 NUMBER of CLIENTS SERVED



22,984
(total clients served)



The Story of a Single Dad

FRANCISCO worked in a renovation and repair shop until he was injured on the job. He found himself without an income and unable to pay his rent. Due to this housing crisis, he and his 3-year old daughter moved into a HAPHousing Residential Resource Center. After six months, he was referred to Secure Jobs. He took a job readiness class and worked closely with an Employment Specialist. He was soon hired as a sheet metal worker.

We helped Francisco find a daycare provider who would take his daughter into care at 5:00 a.m. Then there was the issue of transportation. He found it took longer to get to work by bus than on his bike. Every morning he got his daughter to daycare and then on to work on his bicycle.

He loves his new life.

He has saved enough money for a car and purchased car insurance. He and his daughter have moved into their own apartment. He loves his new life. We admire his resilience and his determination.

How to build **A HEALTHY NEIGHBORHOOD**

SPRINGFIELD'S OLD HILL NEIGHBORHOOD faces many challenges including high rates of poverty, unemployment and substandard housing. These are not new challenges. Many organizations, including HAPHousing, have been working with the community to improve conditions for Old Hill residents for many years. While each of these organizations has made some impact, none of us has been able to move the needle on improving the overall health and wellbeing of this neighborhood.

Today, HAPHousing is proud to be a major partner in the Healthy Hill Initiative, funded by the BUILD Health Challenge. Along with Baystate Health System, Sisters of Providence and the Springfield Department of Health & Human Services, we are engaged in a focused housing remediation effort that will impact childhood asthma, a movement to repurpose parcels as green spaces that will encourage outdoor activities, and developing community gardens that will tackle the lack of fresh food in the Old Hill neighborhood.

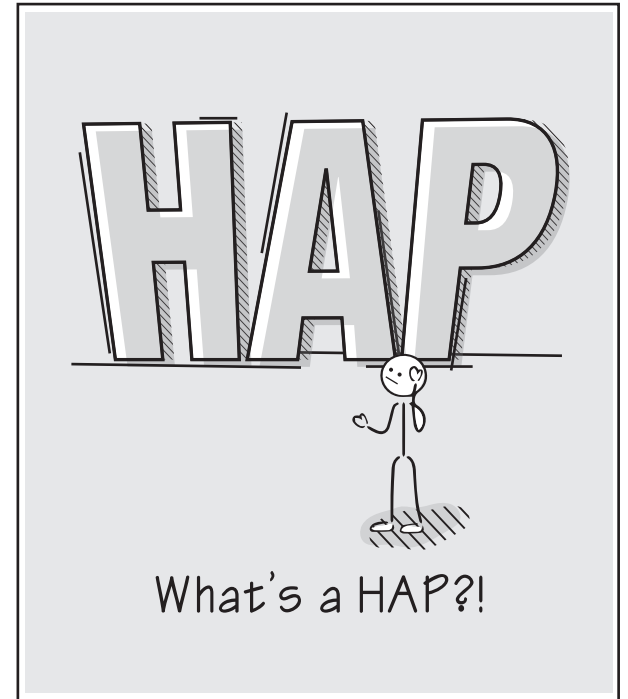
Healthy Hill Initiative holds great promise.

We are also working closely with engaged community organizations across six sectors:



FY2016 marks the first year of the Healthy Hill Initiative and we are already seeing encouraging signs. We have greater engagement among residents. We are nurturing leadership within the community. We believe the Healthy Hill Initiative holds great promise for this neighborhood as well as future revitalization projects.

HEALTHY HILL PARTNERS: Partners for a Healthier Community, Develop Springfield, Mason Square Heath Task Force, Gardening the Community, Revitalize CDC, Springfield Police and the Department of Housing, Mason Square Drug-Free Coalition, Pioneer Valley Asthma Coalition, Old Hill Neighborhood Council, Martin Luther King Community Center and the Brookings School.



Over the years people have asked, "What's HAP?" The answer is that our organization grew out of a U.S Department of Housing and Urban Development pilot, Housing Allowance Program. Years later, we changed our name to HAPHousing. But the name no longer captures all that we do.

During our strategic planning process it became clear that we needed to rename our organization. We will be launching our newly branded organization in early 2017.

Stay tuned.

Stronger. Sustainable. Strategic.

NEIGHBORWORKS AMERICA represents 240 of the best affordable housing and community development agencies in the country. HAPHousing is proud to be counted among the very best. FY2016 marked an important milestone: We were designated as one of 81 Green Organizations for our commitment to sustainability.

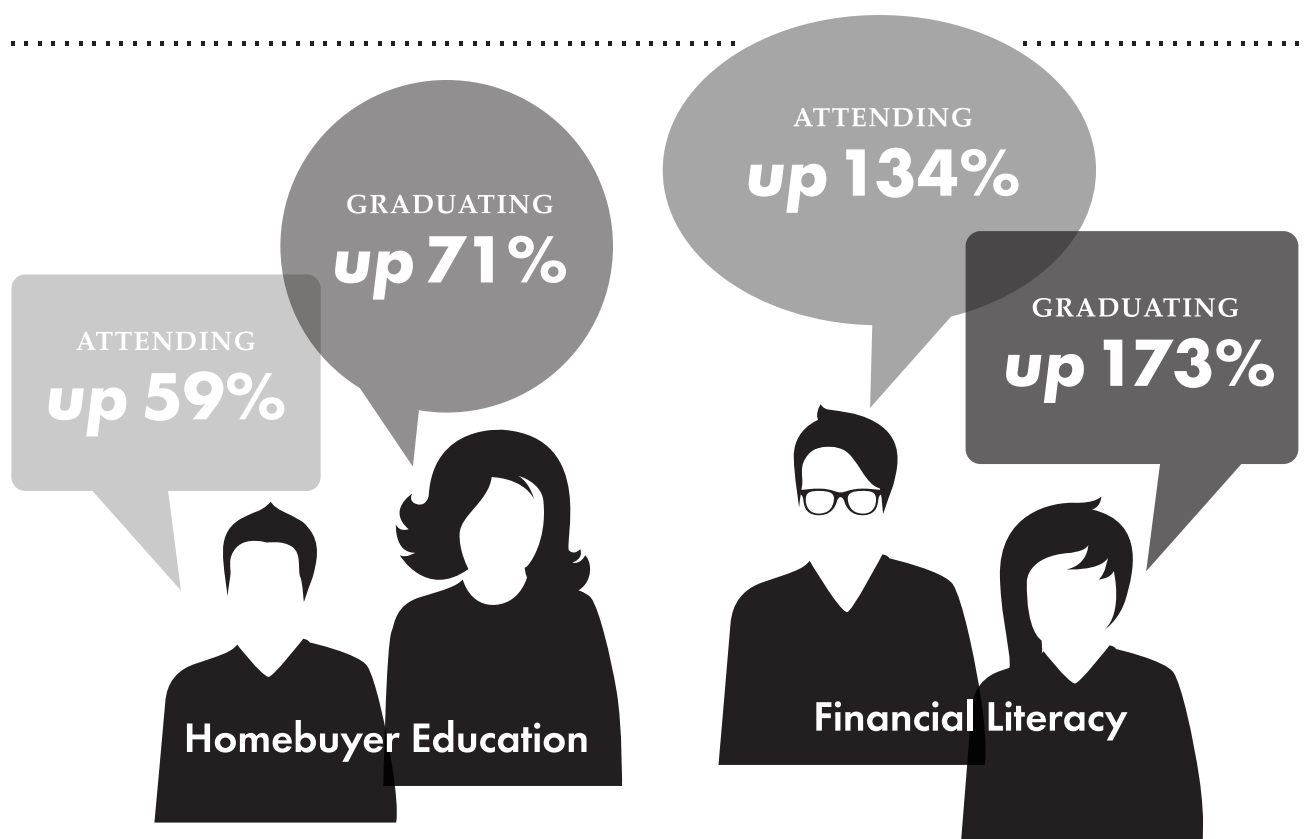
NeighborWorks also encouraged HAPHousing to think about its own sustainability. Were there strategic partnerships that would add depth and value to our work in the affordable housing arena? Over the years we had worked with MBL Housing and Development, Inc. as facilitators of private investment in many of our projects. MBL has an impressive track record of resolving complex development problems and securing financing. It didn't take long to realize we had a terrific partner in our midst.

A terrific partner.

After a series of conversations followed by a period of due diligence, HAPHousing officially acquired MBL, now MBL Housing and Development, LLC. We are proud of this mission-driven investment and look forward to a stronger, more sustainable future together.

EDUCATING POTENTIAL HOMEOWNERS

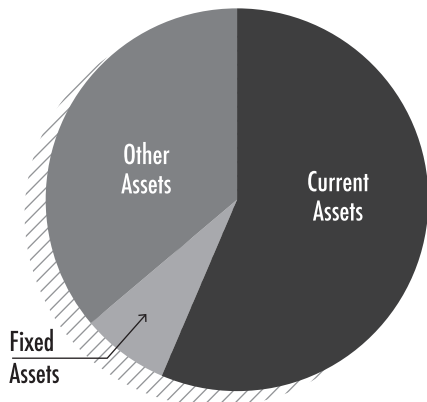
2016 vs 2015 Growth



\$11,091,000

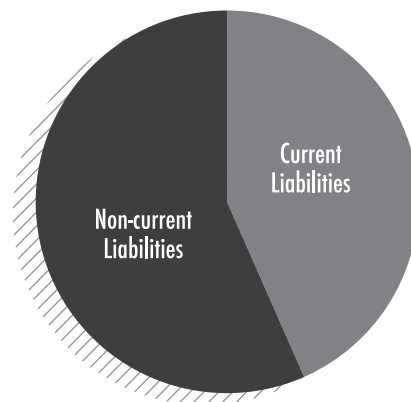
(homebuyer investment total FY2016)

SNAPSHOT



ASSETS

Current Assets	\$ 13,743,976
Fixed Assets, Net	\$ 1,807,672
Other Assets	\$ 8,803,850
.....	
Total Assets	\$ 24,355,498

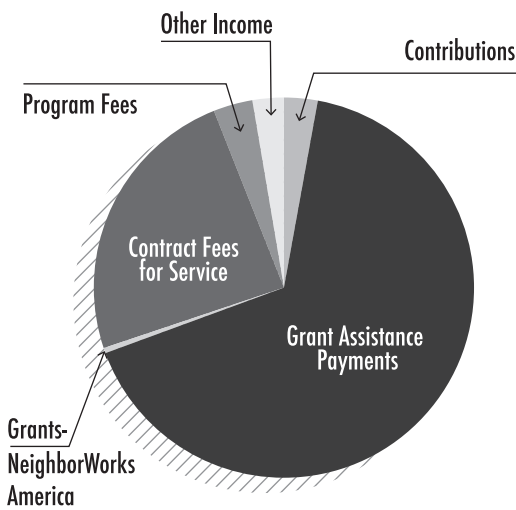
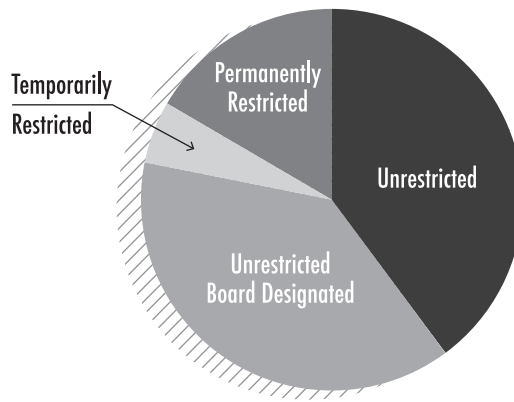


LIABILITIES

Current Liabilities	\$ 7,551,999
Non-current Liabilities	\$ 9,845,442
.....	
Total Liabilities	\$ 17,397,441

NET ASSETS

Unrestricted	\$ 2,770,721
Unrestricted-Board Designated	\$ 2,669,457
Temporarily Restricted	\$ 365,634
Permanently Restricted	\$ 1,152,245
.....	
Total Net Assets	\$ 6,958,057
Total Liabilities and Net Assets	\$ 24,355,498

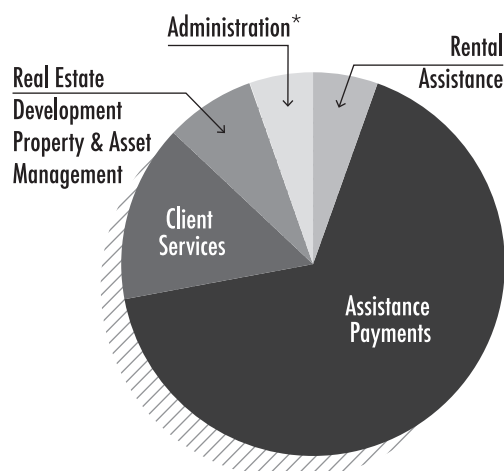


REVENUE

Contributions	\$ 1,949,473
Grant Assistance Payments	\$ 44,977,405
Grants-NeighborWorks America	\$ 202,000
Contract Fees for Service	\$ 16,218,527
Program Fees	\$ 2,327,544
Other Income	\$ 1,753,147
.....	
Total Revenue	\$ 67,428,096

EXPENSE

Rental Assistance	\$ 3,650,436
Assistance Payments	\$ 44,977,405
Client Services	\$ 10,124,537
Real Estate Development Property & Asset Management	\$ 5,185,288
Administration*	\$ 3,616,890
.....	
Total Expense	\$ 67,554,556
Change in Net Assets-Operations	\$ (126,460)



*Includes one-time loss on impairment of asset value

BOARD of DIRECTORS

- Ms. LeeAnn Pasquini, *Chairperson*
- Mr. Trevis Wray, *Vice Chairperson*
- Mr. James Sherbo, *Treasurer & Vice Chairperson*
- Ms. Jessica Fraga, *Vice Chairperson*
- Mr. Glenn Welch, *Secretary*
- Ms. Joanne Campbell, *Board Member*
- Mr. John Downs, *Board Member*
- Mr. Thomas McColgan, *Board Member*
- Ms. Clare Higgins, *Board Member*
- Ms. Ethel Griffin, *Board Member*
- Ms. Brenda S. Doherty, *Board Member*
- Ms. Jennifer Winkler, *Board Member*
- Ms. Sarah Szczebak, *Board Member*
- Mr. Melvin Edwards, *Board Member Retired Board November 13, 2015*

FY2016 SPONSORS

EXCLUSIVE DONORS

- PeoplesBank
- Hotel Northampton

SILVER

- Beveridge Family Foundation, Inc.
- MassHousing
- NEI General Contractors

BRONZE

- Daniel Dennis & Company LLP
- Field Eddy-Hub International
- Fierst, Kane & Bloomberg LLP
- Innovative Business Systems, Inc

SUPPORTER

- Allegrone Construction Co., Inc.
- Baystate Health System
- Columbia Gas of Massachusetts
- Hayes Landscaping
- Massachusetts Housing Investment Corporation
- Springfield College
- Springfield Housing Authority
- Tracker Systems, Inc.
- United Personnel Services

FRIEND

- Affordable Home Inspections, Inc.
- Allied Flooring and Paint
- Boulanger's Plumbing & Heating
- CEDAC
- Dietz & Company Architects
- Doherty, Wallace, Pillsbury & Murphy, P.C.
- Goggins Real Estate, Inc.
- Kenney Masonry
- Kraus Fitch Architects
- Metropolitan Boston Housing Partnership, Inc.
- NL Construction, Inc.
- Regional Employment Board of Hampden County, Inc.
- Valic
- Viva Consulting

SPONSOR

- Associated Building Wreckers, Inc.
- Brian Nicks Production
- Common Capital, Inc.
- DevelopSpringfield
- Goodless Electric Co.
- Massachusetts Association of Community Development Corporations
- Skoler, Abbott & Presser, P.C.
- Wright Builders