2014 ANNUAL REPORT

FOUR WALLS
ONE DREAM
NO BARRIERS
OUR MISSION
The Housing Development Fund, Inc. believes that all households and families should have the opportunity and access to affordable housing and that affordable housing and economic diversity are beneficial to communities.

DEAR FRIEND,
In 2014, the Housing Development Fund celebrated 25 years of opening doors to opportunity. We are excited to lead the next 25 years of innovation, education, and collaboration in affordable housing in Connecticut and New York.

HDF began in Stamford when a small cohort of investors and partners realized that, together, they could make affordable housing a reality. Today, we provide down-payment assistance and housing counseling and fund affordable housing development throughout Connecticut and New York. In 2015, we will help our 2,000th homebuyer to buy their first home.

HDF is a powerful advocate for affordable housing and neighborhood stabilization and revitalization, partnering with a wide variety of partners in the public and private sectors.

This year, we continue to innovate with programs like Shore Up Connecticut, which supports shoreline resiliency in CT; HDF Connects, which provides SmartMove™ loans in New York; and LEAP, which promotes landlord entrepreneurship as a route to revitalizing CT cities. We are utilizing new technology to strengthen our core capacity and measure our impact, and we are excited to help even more hardworking people get started on the path to homeownership by providing personalized and highly accessible tools.

HDF’s partners assist us to strengthen housing impact in CT and beyond. Join us as we build stronger communities together — one home at a time.

CHEERS,

[Signature]

Kathleen Romagnano
CHAIR
SAVINGS BANK OF DANBURY

Lisa Sanders
TD BANK

Al Shehadi
VITAL HEALTHCARE CAPITAL

Brian Skarda
UNION SAVINGS BANK

Seymour Weinstein
ATTORNEY-AT-LAW
With the help of our partners throughout Connecticut and New York, HDF can help more homebuyers than ever before. In 2014, more than 190 families purchased homes with HDF, up from 169 in 2013.

HDF is committed to collaboration with banks, law firms, and realty companies to develop new products and pathways for everyday people to achieve their dreams of homeownership. We’ve forged new partnerships with other housing counseling nonprofits to allow homebuyers to get the education and access to lending they need, in the communities where they live and work.

In 2014, we began a series of quarterly meetings to educate partners about our programs and lending products. To find out more, visit us on the web at: hdf-ct.org/partners.

HOME IN A DAY
In July 2014, HDF teamed up with banking and real estate partners to take HDF on the road for the first time. Home in a Day is a mobile prequalification and counseling event that brings HDF’s experts and partners to meet potential homebuyers in their own communities.

“Partnering with HDF and the SmartMove program has helped us reach more clients. Home in a Day showed us a great model to put homebuyers on a fast track to getting their questions about buying a home answered. We look forward to continuing our work with HDF to help more families and individuals obtain the housing they need.”

MIKE SHEAHAN, CHELSEA GROTON BANK
NEW PARTNER FOR 2015

“Working with HDF is beneficial to our business because their programs provide the gap financing that clients need in order to purchase their homes. With SmartMove, when clients win, we all win.”

MARTIN MORGADO, SAVINGS BANK OF DANBURY
PARTNER SINCE 2005
NEW PROGRAMS

HDF IS PROUD TO BE AN INNOVATOR IN COMMUNITY DEVELOPMENT AND FINANCE. IN 2014, WE INTRODUCED NEW PROGRAMS AND ADJUSTED OUR LONG-TIME STRATEGIES TO BETTER MEET THE CHANGING NEEDS OF OUR CLIENTS.

SHORE UP CONNECTICUT

In the aftermath of Hurricanes Sandy and Irene, Governor Dannel Malloy allocated funding to increase the resiliency of coastal homes and businesses. Working with the State of Connecticut, HDF designed a low-interest loan fund to help homeowners in at-risk areas raise and weather-proof their homes.

HDF has administered this fund since the Shore Up program launch in August 2014, travelling the Connecticut coastline to spread the word about this new resource for increasing shoreline resiliency. Homeowners like Donna and Frank (pictured here) are just the first of many that HDF will empower to build a safer, more storm-resilient future.

“This new program is an important addition to the set of tools we have to help Connecticut residents strengthen and protect their homes and businesses against future storm damage.”

EVONNE KLEIN
COMMISSIONER, CT DEPARTMENT OF HOUSING

SMARTMOVE NEW YORK

HDF has already helped almost 2,000 CT residents, and now HDF Connects is making SmartMove™ down-payment assistance available to those buying in Westchester, Nassau, and Suffolk Counties in New York. First-time homebuyers receive counseling from one of our six partner agencies and acquire a first mortgage from Citibank, People’s United Bank, or Webster Bank.

LEAP

The Landlord Entrepreneurship and Affordability Program (LEAP) brings stability to Connecticut’s urban communities and encourages entrepreneurial homeownership. With counseling, landlord training, and financing from HDF, and home repair and maintenance training from Neighborhood Housing Services of New Haven, first-time homebuyers can purchase and successfully manage two-family homes.
HDF HELPS TO MAKE COMMUNITIES STRONGER by encouraging local developers to build affordable housing, offering a variety of financing products to promote and facilitate the rehabilitation, new construction, and preservation of affordable housing for low- and moderate-income households.

In 2014, HDF added a new, flexible source of funds from Connecticut Housing Investment Fund to our Multifamily loan consortium, allowing us to target our services to developments serving CT residents who make below 50% of area median income.

HDF AT A GLANCE

Since the inception of multifamily lending in 1989...

HDF HAS FINANCED:

56 MULTI-FAMILY DEVELOPMENTS

Resulting in approximately 1,077 high quality housing units

AND CURRENTLY FINANCES:

24 PROPERTIES

635 total units
352 of which are affordable

Multifamily Banks:

BANKWELL
CONNECTICUT COMMUNITY BANK
DARIEN ROWAYTON BANK
FIRST COUNTY BANK
FIRST REPUBLIC BANK
HUDSON CITY SAVINGS BANK
NEWTOWN SAVINGS BANK
PEOPLE’S UNITED BANK
SAVINGS BANK OF DANBURY
UNION SAVINGS
WEBSTER BANK
“You get a little piece of the American Dream. You feel like you’ve accomplished something and you know it’s possible that you can teach your kids something about homeownership.”

SARA R.

ALONG WITH OUR PARTNERS, WE’RE HELPING OUR CLIENTS TO BUILD COMMUNITIES, ONE DREAM HOME AT A TIME. We are inspired by the stories of our clients every day — like Sara, who was able to keep her childhood home in her family because of HDF’s assistance.

HDF’s First Time Homebuyer program helps people buy their first homes through a combination of one-on-one counseling, financial coaching, and homebuyer education classes. HDF has several loan products available to these borrowers, all at low or below-market rates.

Thanks to the hard work of our counseling staff and their clients, as well as grant funding and partnerships, HDF has been able to help almost 2,000 families purchase their first homes.

Since the inception of our First Time Homebuyer program in 1997...

8,438 HOUSEHOLDS RECEIVED:

- financial fitness coaching
- homebuyer education
- foreclosure intervention
- counseling

4,958 COUNSELED

TOTAL FUNDS LENT BY HDF $81,330,906

1,967 CLOSINGS

FIRST MORTGAGES LEVERAGED $304,433,670
OUR SUPPORTERS

ICONS - $500,000+
NeighborWorks America
Northeast Utilities

TRAILBLAZERS - $65,000+
Citi Foundation

VISIONARIES - $10,000+
Bank of America
CT Housing Finance Authority
Fairfield County Community Foundation (FCCF)
First County Bank Foundation
Housing Partnership Network
JP Morgan Chase
People’s United Community Foundation

CORNERSTONES - $5,000+
Anonymous
Citi Community Development
Federal Home Loan Bank of Boston
First County Bank
Mr. and Mrs. Stephen F. Mandel, Jr.
People’s United Bank
Pitney Bowes
Savings Bank of Danbury
United Way Western CT
Webster Bank, N.A.
Wells Fargo Foundation

CHANGEMAKERS - $2,000+
Mr. and Mrs. Charles Eaton
Mr. and Mrs. Robert and Betsy McGroarty
Seaboard Properties
Spinnaker Real Estate Partners, LLC
Wells Fargo - The Private Bank
Wofsey, Rosen, Kveskin & Kuriansky, LLP

INVESTORS - $1,000+
Buckingham Properties
Business Council of Fairfield County
Carmody Torrance Sandak & Hennessey, LLP
Charter Oak Communities
Exit 9, LLC
Forstone Management
Herbert and Sarah M. Gibor Charitable Foundation
Ginsburg Development Companies
Mr. Edward Gormley
Hoffman Investment Partners
M & T Bank
Murtha Callina LLP
Newtown Savings Bank
Mr. Stephen Woodward

PARTNERS - $500+
Benerofe Properties Corp. (Mitch Benerofe)
Caspi Development
Celestial Capital Group, LLC
CT’s Green Bank (CEFIA)
Darien Rowayton Bank (Bob Kettenmann)
Diamond Properties, LLC
Fairfield County Bank
Ms. Robin Gallagher
Jonathan Rose Companies
Mr. John March
Ms. Katherine Romagnano
Mr. Joseph Saffi, Esq.
Mr. Al Shehadi
Redniss & Mead, Inc.
Stamford Hospital
Union Savings Bank
Val Executive Resources Group

BUILDERS - $150+
AFC First Corporation
Bankwell
Mr. Steven Baron, Esq.
Belpointe Capital, LLC
Cacace, Tusch & Santagata
Compaldec
Connecticut Community Bank
Friedberg, Smith & Co P.C.
Ms. Susannah Gillette
Housing Authority Of The City Of Danbury
Ms. Phyllis Kapoloff
Mayo Crowe, LLC
Network Support Company
New Neighborhoods, Inc.
Norwalk Redevelopment Agency
Mr. Kenneth Olson
Patriot National Bank
Mr. Robert E. Pfeiffer
Robinson & Cole
Ms. Tami Strauss
Mr. Richard E. Tabor
Tzedakah House, LLC
Mr. Seymour Weinstein, Esq.
Women’s Institute For Housing and Economic Development

TOTAL NET ASSETS

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>’03</td>
<td>$2,865,087</td>
</tr>
<tr>
<td>’04</td>
<td>$2,887,198</td>
</tr>
<tr>
<td>’05</td>
<td>$5,652,525</td>
</tr>
<tr>
<td>’06</td>
<td>$7,232,748</td>
</tr>
<tr>
<td>’07</td>
<td>$7,892,843</td>
</tr>
<tr>
<td>’08</td>
<td>$9,062,675</td>
</tr>
<tr>
<td>’09</td>
<td>$9,024,439</td>
</tr>
<tr>
<td>’10</td>
<td>$9,986,090</td>
</tr>
<tr>
<td>’11</td>
<td>$10,809,715</td>
</tr>
<tr>
<td>’12</td>
<td>$12,135,964</td>
</tr>
<tr>
<td>’13</td>
<td>$14,026,816</td>
</tr>
<tr>
<td>’14</td>
<td></td>
</tr>
</tbody>
</table>
### Financials

<table>
<thead>
<tr>
<th></th>
<th>FYE 14 Balance</th>
<th>FYE 13 Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; cash equivalents</td>
<td>$7,749,160</td>
<td>$4,306,808</td>
</tr>
<tr>
<td>Contributions, grants and contracts receivable</td>
<td>$894,959</td>
<td>$291,916</td>
</tr>
<tr>
<td>Mortgage Loans Receivable – Net</td>
<td>$22,615,392</td>
<td>$21,142,123</td>
</tr>
<tr>
<td>Homebuyer Assistance Loans</td>
<td>$5,969,681</td>
<td>$5,560,492</td>
</tr>
<tr>
<td>Leasehold and other assets</td>
<td>$1,812,020</td>
<td>$1,656,988</td>
</tr>
<tr>
<td>Agency Assets – Net of Agency Cash</td>
<td>$13,955,120</td>
<td>$14,141,921</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$52,996,899</td>
<td>$47,100,249</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes Payable to Banks</td>
<td>$21,197,397</td>
<td>$19,461,426</td>
</tr>
<tr>
<td>Refundable Advances on Grants</td>
<td>$2,595,610</td>
<td>$811,111</td>
</tr>
<tr>
<td>Accrued Expenses and Other Liabilities</td>
<td>$1,221,389</td>
<td>$551,826</td>
</tr>
<tr>
<td>Agency Liabilities</td>
<td>$13,955,687</td>
<td>$14,141,921</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$38,970,083</td>
<td>$34,966,284</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Interest Income on Loans</td>
<td>$1,336,076</td>
<td>$1,380,399</td>
</tr>
<tr>
<td>Total Interest Income on Investments</td>
<td>$34,146</td>
<td>$24,788</td>
</tr>
<tr>
<td>Total Contracts and Fee Income</td>
<td>$542,466</td>
<td>$531,227</td>
</tr>
<tr>
<td>Total Contributions</td>
<td>$587,867</td>
<td>$232,381</td>
</tr>
<tr>
<td>Total Grants-Governmental</td>
<td>$2,301,081</td>
<td>$2,071,941</td>
</tr>
<tr>
<td>Total Fundraising Events</td>
<td>$75,485.19</td>
<td>$58,773</td>
</tr>
<tr>
<td>In Kind</td>
<td>$409,143</td>
<td>$12,072</td>
</tr>
<tr>
<td>Total REO Sales and Support</td>
<td>$409,143</td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$5,286,265</td>
<td>$4,311,581</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Services</td>
<td>$2,390,051</td>
<td>$2,385,926</td>
</tr>
<tr>
<td>Support Services</td>
<td>$856,252</td>
<td>$516,776</td>
</tr>
<tr>
<td>Provision for Losses</td>
<td>$147,110</td>
<td>$84,630</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$3,393,413</td>
<td>$2,987,332</td>
</tr>
<tr>
<td><strong>Change in New Assets</strong></td>
<td>$1,892,852</td>
<td>$1,324,249</td>
</tr>
<tr>
<td><strong>Net Assets, Beginning of Year</strong></td>
<td>$12,133,964</td>
<td>$10,809,715</td>
</tr>
<tr>
<td><strong>Net Assets, End of Year</strong></td>
<td>$14,026,816</td>
<td>$12,133,964</td>
</tr>
</tbody>
</table>

### Staff

- **Joan Carty**
  President and CEO

- **Gina Delano**
  Chief Financial Officer

- **Joanne Taylor**
  Chief Operating Officer

- **Elissa Bard**
  Director of Multifamily Lending

- **Deborah Mackenzie**
  Director of Counseling

- **Elyse Pitts**
  Director of Innovations

- **Mary Thierry**
  Director of Development and Communications

- **Jaclynn Alves**

- **Natalia Arias**

- **Joan Arnold**

- **Winifred Bailey**

- **David Carril**

- **Jessica Chen**

- **Suchana Costa**

- **Robert Coulombe**

- **MaryAlice Dinho**

- **Todd Fagan**

- **Kayte Graveline**

- **Emmeline Harrigan**

- **Damali James**

- **Myriam Mena-Polk**

- **Anthony Morgis**

- **Pat Ormsby**

- **Melvina Peters**

- **Gwendolyn Robinson**

- **Delila Torres**

- **Roxana Ubillus**

- **Jada Williamson**

- **Richard Zelinsky**