



UNDERSTANDING. ACTION. IMPACT.

An integrated approach to social investment



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Change is multifaceted. Funding sources shift. Constituents—and their needs—fluctuate. Service providers evolve. And we change with them. Adjusting tactics. Expanding our bases. Working systemically and through individual projects. Above all, we prepare for future transformations. Because every piece is interconnected. Every new need creates a new opportunity. Every element shapes the others. **That is the alchemy of change.**

We have always known that in order to be effective, Boston Community Capital must evolve to respond to the changing needs of our constituencies and to the changing world in which we live. From that perspective, 2005 has been a remarkable year for all of us here at BCC. We've closed our first New Markets Tax Credit transactions, launched new financial products to better meet the needs of our borrowers and portfolio companies, substantially bolstered our balance sheet, and added experienced, talented staff to support our growth—all in an era of shrinking public resource for community economic development.

In earlier reports we have written about the New Markets Tax Credit, which is designed to bring private capital into low-income communities. As you may recall, BCC received one of the largest allocations to a mission-driven organization—an allocation that can be used nationally. Over the last year, we have placed almost \$40 million of our initial \$70 million allocation:

- To reach nationwide, funding projects such as the Eco-Trust project on the Olympic Peninsula, described in this report.
- To support rural communities, in addition to our traditional urban neighborhoods.

- To leverage the capital of large-scale commercial investors who have not historically worked with CDFIs.

But the particular projects that we have financed are only one piece of our New Markets strategy. In addition to growing our Loan Fund, we are using our financial strength to change behaviors and to create new strategies for meeting the needs of the communities we serve. Our NMTC earnings broaden our equity base and strengthen our balance sheet. That, together with solid support from our partners, gives us the ability not only to focus on individual projects but also to pursue systemic solutions.

Growth requires human as well as financial resource, and long-time readers will note an additional signature at the bottom of this letter. We are delighted to welcome Becky Regan as the new Chief Operating Officer of our Loan Fund. Becky brings a wealth of experience lending in our communities and greatly enhances our capacity.

Mahatma Gandhi said: "We must become the change we want to see in the world." With that thought firmly in mind, we are now in the midst of developing our next five-year strategic plan. Our thinking is still emerging but we do know that we want to use the platform we've built not just to increase the impact of our current work but to focus outward and to tackle larger questions:

- How can we partner with our sister organizations across the country to better leverage all of our resources?
- How do we best promote cost-effective "green" and sustainable design for low-income housing so as to reduce energy expenses and operating costs and to promote better health?
- What is the relationship between globalization and effective domestic workforce development, and what expertise can we bring to bear on that issue?
- What role can we play in serving the housing, economic development and educational needs of a changing demographic?
- What financial products are most useful for the newer immigrant populations who fuel our country's growth and for our burgeoning elder population?
- How do we create stronger alliances among community economic development practitioners, organized labor, public health, supporters of a cleaner environment, and the public education system so as to provide a more systemic approach to the challenges of poverty?

We are ever conscious that we are not alone on our journey. Whatever ability we have to become the change we wish to see would not be possible without the strong and constant support

of our investors, our funders, our partners, our Board and committee members, and our borrowers. As always, we thank you for that gift, and invite you to continue with us as we pursue the one constant that does not change—our mission: To build healthy communities where low-income people live and work.



Elyse D. Cherry



DeWitt Jones



Rebecca L. Regan

BCC's \$1.8 million loan to CAAS funded a Head Start center that serves 150 children from 20 countries, speaking 14 languages—and helps these children assimilate at a very young age.



Head Start is the most successful, longest-running, national school-readiness program in the history of the United States. And it needs support. So we funded a new facility serving the densest part of Somerville. And a service for Head Start directors and management teams nationwide. Our goal: to close the opportunity gap among children from different economic strata.

Most people recognize Head Start as an **effective preschool program** for lower income families. They may even know that Head Start agencies provide two-thirds of their students' daily nutritional requirements, as well as medical and dental screening. But, as Jack Hamilton, Executive Director of the **Community Action Agency in Somerville** (CAAS), explains, "Even the most stalwart Head Start supporters don't understand the rest of what we do: for us, helping the family be strong and teaching them that they have the right to **advocate for their children** is critical to our mission." Donna Cabral, the agency's Head Start Director, concurs. "Head Start was founded as an anti-poverty program. To succeed, it has to teach people **skills for self-sufficiency**. Not just the children, but their parents." The Somerville program has two unique approaches to teaching those skills, Cabral continues. "First, of our 48 current staff members, 33 were past parents in the program—I believe it is the highest percentage of any Head Start program in the country. And because of it, our parent involvement is very strong. Second, we do lots of **work with fathers**. Although Head Start has traditionally worked with single mothers, now we are engaging the fathers in their children's education; we also help them look at their own issues and concerns around fathering." Yet, as effective as these programs are, Hamilton and Cabral know that physical space can make a tangible difference in the way families feel and

the degree to which they engage. Last year, with backing from BCC, they constructed a new facility. "Right from the beginning, BCC had an attitude that this was a good project and nothing was going to stop us. They have been more **encouraging, cooperative and generous** than we could imagine—even when we faced obstacles. Both their financial and psychological support were invaluable." Located on a formerly contaminated brownfields site in the densest neighborhood of Somerville, the building allows CAAS to **centralize programs** that had previously been scattered city-wide. It has had a powerful effect. "Children and families see such a huge difference when they walk in this school—they have a whole new attitude," Cabral says. Hamilton adds, "There is **universal enthusiasm**. It is the difference between renting and owning." On a very fundamental level, the building provides a sense of community, so new parents feel more at home and spend more time with the program. It also fosters a sense of pride, Cabral says. "They think: this is our school, our program, our family." Not only do they engage, they take the lessons to heart. Most importantly, they act, advocating for their children throughout their school careers.

Anywhere in the country, running a **high-quality Head Start program** is hard work. And it is getting harder. Changing federal guidelines, stricter accountability standards, and unpredictable daily challenges can be overwhelming. Now Head Start programs have a new resource: **Acelero Learning**. Acelero partners with local communities to help run the highest quality Head Start programs possible.

"We believe that **effective management** is the key lever to great outcomes for children and families. It can make all the difference in ensuring a high-quality program," states Aaron Lieberman, Acelero's founder and CEO. "We operate in areas where a Head Start grant has been revoked because the grantee was not meeting even the most basic federal performance standards. We begin, as a new agency, by focusing on management. That drives down into teacher training, needs assessment and **data-based decision-making**, solving clearly defined issues in a thorough and systematic way. Often, the majority of staff we work with is the same as the prior grantee—but now they have new systems, new standards and new support." Lieberman reports, "Teachers say, 'We didn't used to have much guidance about how to teach; now the expectations are clear.' And it is true.

We have **incredibly high expectations** for our Head Start programs: we want them to be good enough that we or anyone else would drop their own children off there every morning."

BCC was the only potential investor who so believed in the double bottom-line nature of our business that they were willing to invest. Our goal is to be the most successful investment in their portfolio.

The idea for Acelero Learning came to Lieberman in his previous role as CEO of Jumpstart, a national non-profit early-education organization. "We worked with a hundred different Head Start programs across the country; some were really excellent, but some really struggled. I founded Acelero to do something to help them. One of the first places we came for capital was BCC. The (Venture Fund) has helped us grow ahead of the curve, so we have been able to **have a greater impact** in a shorter timeframe." Acelero's approach is clearly effective. "In our first partner program, where we have worked over the last three years, we have been able to **increase a child's average gain** in all child assessment measures by 30%." That bodes well for America's children.

When lack of income and gender inequality intersect, challenges intensify. Options are fewer. Work is harder to find when you have a child to care for, too. Women need both to be empowered and to feel empowered. Our approach: Vital support for organizations serving low-income women.



The three-story Victorian house is clearly a home. It is also a haven. In fact, the **Women's Center** provides a refuge for about **700 women a week**, more than half of whom are regular visitors. They come to the Center seeking information about jobs and healthcare; they come (and call) seeking emotional support and practical guidance; they come seeking **a community**. And each one leaves empowered. Some are actively recruited to join the group Women of Action. They work on issues that impact their day-to-day lives—issues such as unfair treatment by the housing authority and mothers with strollers being left behind at bus stops. Banding together, these women not only effect change, they learn that they have a voice in their community, a voice that deserves to be heard. Other women use the Center's resources to **change their own lives**. Take Sara. In need of a job, she starts at the job board, notes

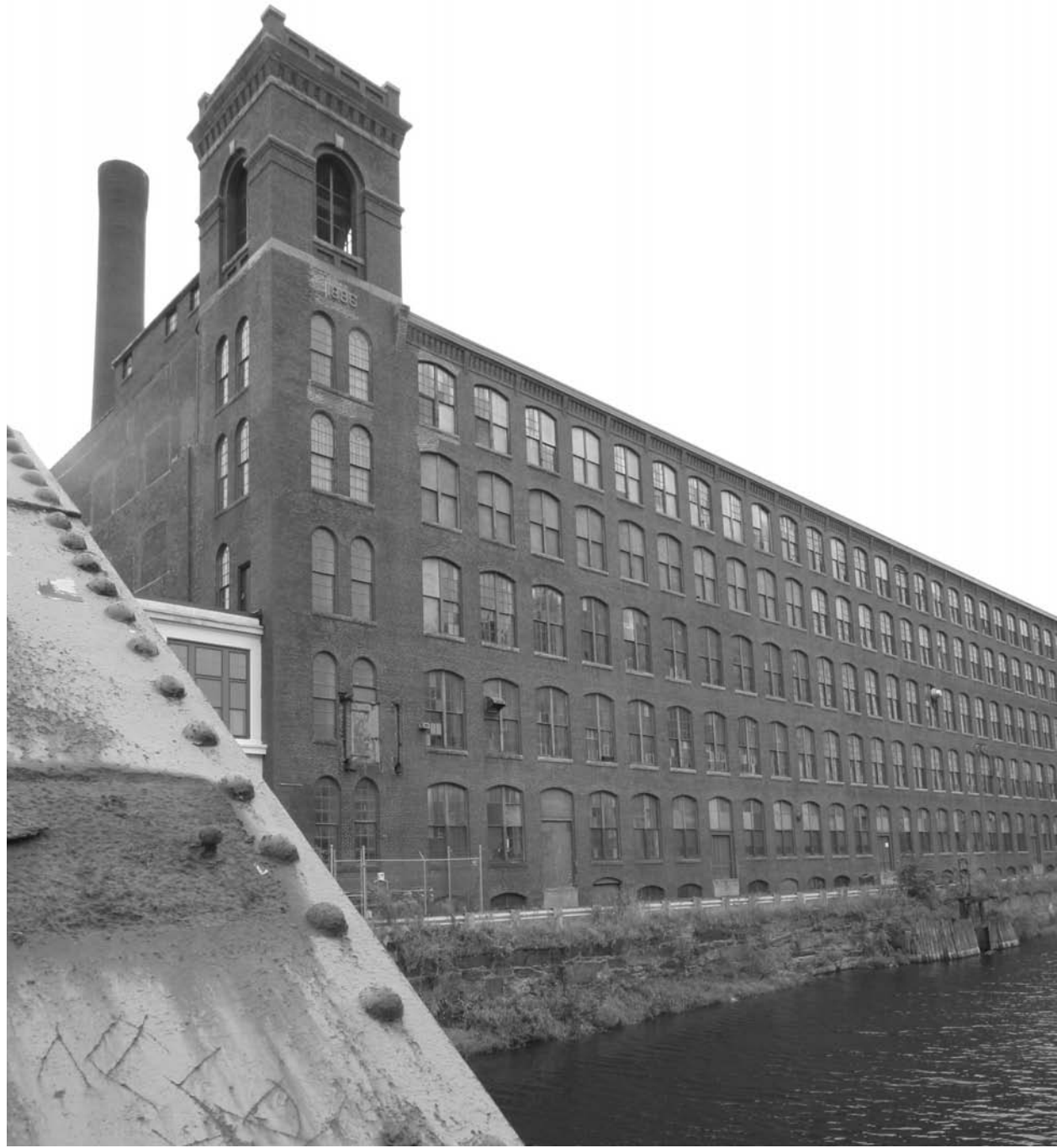
If it weren't for BCC, I don't know where we would be. They helped us understand our options so we could act quickly. They have been very instrumental in making sure we are around for another 35yrs.

some employment possibilities, then heads to the computer room to research her potential employers. An earlier course helped her polish her resume; a new program will coach her on interviewing techniques. And it is all for free. Founded in 1971, the Women's Center is the **longest continually operating** women's center in this country. It is funded by contributions, staffed by more than a hundred volunteers, and needed urgently. Asked where these women would turn if the Center didn't exist, Board President Martina Bouey responds, "I honestly don't know; there isn't another organization like this." Over the past few years, as the nation's economic safety net has shrunk, the Center has seen a **dramatic increase in homeless women**. Bouey says, "While we are not a shelter, we are a place where homeless women can come during the day. They use the internet to look for housing or jobs and connect with loved ones. They cook their own food in our kitchen. Sometimes they come just to rest in one of the Center's living rooms; for a homeless woman, that may be the only respite she finds from the chaos of her life." **A haven, indeed.**



In 1886, Bostonian Pauline Cazenove and a group of her friends **founded the YWCA**. In 1927, the Boston chapter built a headquarters on Clarendon Street, a building that featured a hotel for women, as well as a swimming pool, gymnasium, auditorium and other facilities. Over the next 75 years, demographics shifted, usages changed, and the YWCA expanded its services for low-income women. In 2002, the YWCA decided it was time to transform the space. With help from BCC and other sources, the YWCA has renovated the **historic structure**, converting the top 13 floors to include 56 apartments, 88 single-occupancy rooms with private baths and 40 hotel rooms. "We are providing **housing that is safe, secure and accessible**," says Judy Parks of the Clarendon Residences LLC, the for-profit arm of the YWCA which runs the building. "Forty percent of our housing units are available to people with low and moderate incomes. We have a changing, **diverse population**. We are located at a cross-roads between neighborhoods, so everyone is welcome. We look at that as a key element in providing housing—that is what keeps our housing vibrant." Asked where the residents lived before, she responds, "Some were in substandard housing, some were homeless and some were having a hard time finding an apartment they could afford in town. For young people starting out, this is a great place to live, because it is in a safe neighborhood, close to public transportation, downtown and cultural

activities; many wouldn't be able to work in town without lower-cost options like this." This new influx of housing is an equal blessing for many older people who also have found themselves priced out of the Boston housing market. Of course, public funding parameters require that some of the rooms are occupied by men. "But including men doesn't mean we are excluding women." Parks reflects, "The building is run by a women's organization and is designed to serve women. There have always been men in the apartments, but this is a **very comfortable place for women** who need a place to live." She is very clear about the critical role BCC played in making the project possible. "BCC's \$1 million loan of pre-development funding was critical in enabling us to pay the architect and engineers, and to putting together the construction and financing packages that got the project built. Without them the project literally could not have happened. Now BCC is helping us with a second \$1 million loan for operating support as we phase out of construction and into operations. They are our openers and closers." She adds, "They were so helpful and easy to work with—and they were knowledgeable. Their **expertise eased a lot of bumps**. After all, we hadn't built anything in 75 years!" The women of Boston can be grateful the YWCA did, then and now.



As demographics shift, housing needs vary—and existing solutions do not always work. The elderly, newly arrived immigrants, even artists have unique requirements—and forward-thinking agencies are meeting them. Meanwhile, depressed city centers offer renaissance opportunities, while abandoned buildings cry for adaptive reuse. Our focus: to support the creation of distinct housing, tailored to serve specific demographic and area needs.

"Lawrence did not just need more affordable housing, it needed someone with vision to **create an economic engine** for the city," says Sean McDonnell, President of The Architectural Heritage Foundation (AHF). Fortunately, a grassroots group had that vision: the Reviviendo Gateway Initiative (RGI), led by Lawrence Community Works and Groundwork Lawrence, includes mill owners, city officials, civic and cultural groups, businesses, residents and others. The RGI spearheaded the effort to rezone the down-

town area, and established a framework that enabled other visionaries to get to work. Soon the **Washington Mill Lofts** project was born—and the result is destined to revitalize downtown. "The mill is in an industrial district, but Lawrence is a tightly packed city. Our project is two blocks from Essex Street, the main commercial street in Lawrence. Historically, Essex Street was the shopping center for the Merrimack Valley, but the street has been largely vacant for 20 years. The mayor was interested in putting people with paychecks downtown—people who have to go buy a gallon of milk, want to join a

We are trying work bottom-up to create an economic plan to revitalize a community, and BCC is a great partner. They understand a project with familiar objectives and goals, but a different strategy for achieving them.

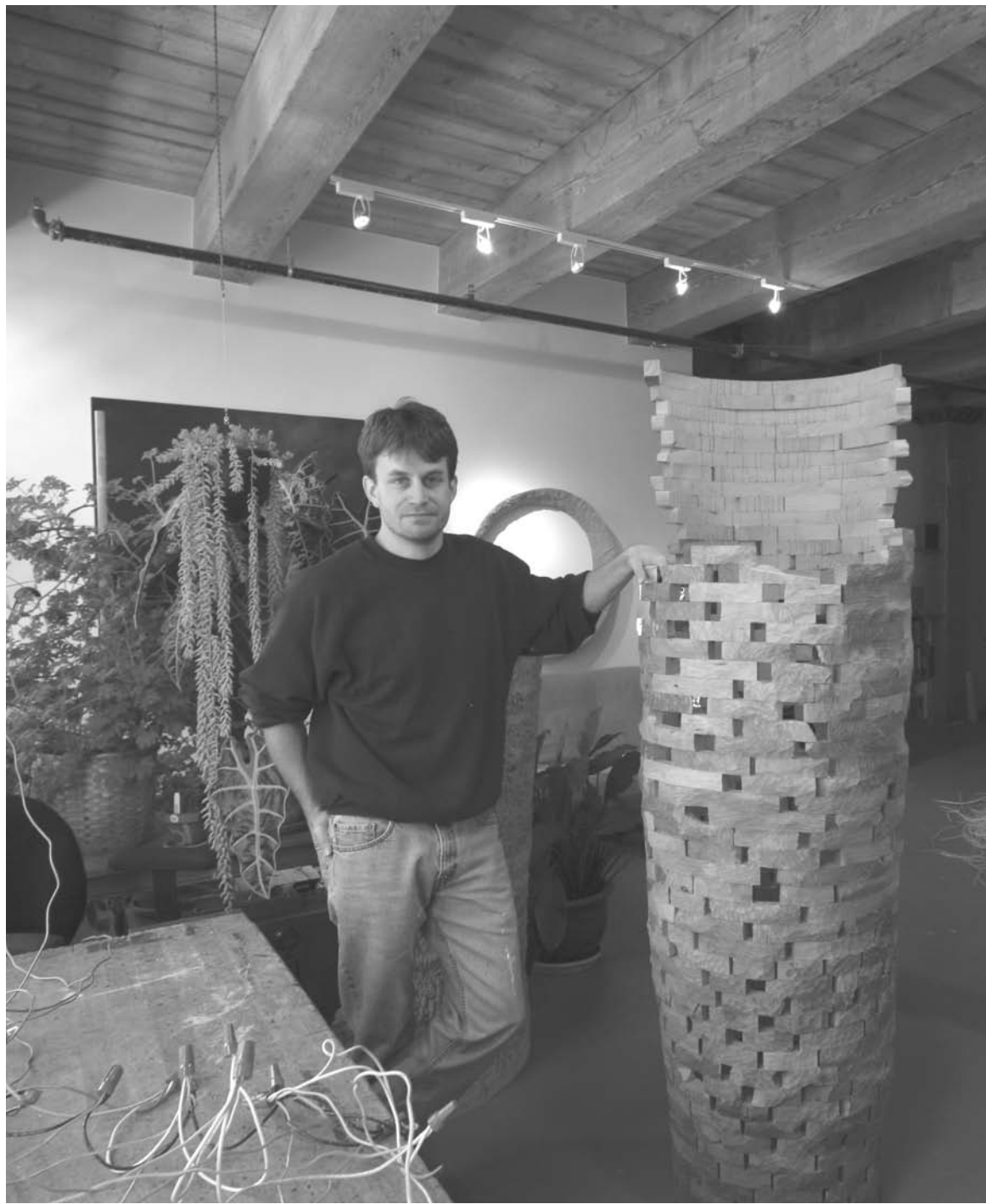
health club, would like to see a movie. He also wanted to provide some **high-quality housing.**" The AHF decided to **transform the textile mill**, which had fallen into near vacancy, into mixed-income loft-style apartments. McDonnell explains, "We approached BCC roughly a year ago, hoping to persuade them to help us with predevelopment funding. Although we had not worked with them before, we had heard they work outside Boston. We had also heard they were **forward**

thinkers, which was important because we had bumped into a conceptual problem with state funders: there were resources available for straightforward affordable-housing projects, but not for this sort of project," **pairing historic preservation with economic growth.** Not only did BCC understand the project's goals, they have helped

extend them. "BCC sees a growing need for green design," McDonnell says. "Our project had a number of inherent 'green opportunities', and now we are trying go further. **BCC is holding us to a higher standard.**"

The founding principle is simple, sensible and effective: low-income elderly housing that **focuses on living.** "At **Jewish Community Housing for the Elderly (JCHE)**, we don't look at dependence and disabilities; we try to help people focus on their skills, building the types of programs that allow them to **remain independent** as long as possible," explains Ellen Feingold, President of JCHE. It is not a universal approach. "I am stunned at the way that the elderly are often stereotyped. People generalize, '...all elderly need...' even though they are discussing a group with vastly different life experiences and ages. It doesn't work; no one-size-fits-all living solution can work," Feingold reflects. One **key to independence is interdependence;** JCHE strives to foster a strong sense of community among its 1300 residents. Feingold continues, "Most applicants are in their late 70s, with an average income of \$9,000. Often their spouse has died, and as a result both their income and their ability to cope has plummeted. We have been very successful in helping people live out their lives, by enriching their days, giving them access to things to do and ways of caring for themselves, and, most of all, providing a community." She observes, "You can be in the nicest home in the world, but if you only have the delivery man to talk to you won't be happy. **It is all about community.**" JCHE housing, which is deliberately nonsectarian, often features communities that overlap in interesting ways. For example,

Leventhal House, one of three JCHE properties to be renovated with BCC support, has three discrete elderly populations. "People ask me, 'How do the **Russian speakers and American-born and Chinese speakers** get along?' I answer, 'Like neighbors on any street.' Often we find that they build friendships over cooking: Someone who runs out of sugar goes down the hall to borrow some. Every culture uses sugar." Still, she has also found that being with members of their own culture is increasingly significant as people age. "That tradition and comfort is very important for the elderly," muses Feingold. "It is a funny balance, enabling people from multiple cultures to live happily together with respect for each other, while maintaining their own sense of community." JCHE's blend of independence and interdependence is **both effective and cost-effective.** "We used rough numbers to show that in just nine months we saved over \$2 million in Medicaid for those residents who were nursing-home qualified. In an environment like this, problems get caught much earlier, so tenants use fewer medical services," says Feingold. "At some point we'll be able to prove how much less expensive our model is than more institutional alternatives. Then as new programs develop, they will be encouraged to include the kinds of things that **help people love life.**"



At a time when deserted buildings around Boston were burning, artists moved into Fort Point, literally preserving the structures as they created a neighborhood. Thirty years later, encroaching gentrification has spurred them to band together again; now they are preserving their community. "We are now completing our first project, the 200,000 square foot Midway Studios, co-developed with Keen Development," explains Anita Lauricella of the Fort Point Cultural Coalition. "Our relationship with BCC has been incredibly important for us in this project. They understand that it's about more than buildings. It's about neighborhoods."

Above: Sculptor Tim Murdoch in his studio at Midway. The project provides 89 live/work studios, plus ground floor commercial space for arts-related businesses in the Fort Point neighborhood of Boston.

Opposite top: Ping Weng, a JCHE resident, puts finishing touches on her painting. A \$500,000 loan from BCC began the process of upgrading JCHE's Leventhal House, Ulin House, and Genesis House. A separate \$1,289,000 loan is funding pre-development expenses for new JCHE housing in Framingham.

Opposite bottom: Windale Developers' Washington Commons development in Roxbury provides spacious new family homes in keeping with the neighborhood's historic character.





BCC's Venture Fund was an early equity investor when Zipcar was still a small local company; our follow-on investments have supported its expansion nationwide.

It is a conundrum: We live in a world with a growing population, a population that demands more food, more housing, more transportation, more goods. Yet every expansion places a strain on resources. Our response: To invest in individual companies and large-scale initiatives that preserve resources, promote energy-efficiency and minimize environmental impacts.

“We encourage the savvy urbanite to **do the math**,” says Matthew Malloy of **Zipcar, Inc.** “It is not just about the cost of the car,” he continues, “it is about the cost of having a car in the city. Zipcar members enjoy **24/7 access** to any car, anywhere. (Zipcar has over 20 makes of car located in major metropolitan areas nationwide.) Members get that access at a **great price point** which includes gas, parking, insurance, maintenance, and XM Satellite Radio service. It is the perfect alternative for the city dweller.” With over 2500 new members a month, it is clear that the Zipcar concept has caught on. That is good for Zipcar. And **good for the environment.** Malloy points out, “We know that Zipcar members walk more, bike more and use public transportation more.” Indeed, studies show that the average Zipcar member drove 5,295 miles a year before joining Zipcar; now they drive 369 miles a year. That means, cumu-

After just five years, Zipcar estimates they have taken **20,000** cars off the road. That means less congestion. Fewer emissions. More green space. Even more walking.

latively, Zipcar members **saved over 3 million gallons of gas**—and the attendant emissions—in 2004 alone. And since, on average, each Zipcar takes 20 cars off the road, less land and fewer financial resources are needed to provide parking infrastructure. Malloy sees Zipcar as part of an **evolution in transportation**—an environmentally and fiscally conscious way of continuing a motoring lifestyle. He remains impressed “with the number of smart investors, including BCC, that made the decision early on to support that evolution.” Now that decision is proving prescient, as gas prices soar and the zeitgeist shifts. “Ten to twenty years ago the average car enthusiast dreamed of an 8-cylinder car. Now there is an amazing change: a younger audience sees the Prius as the cool, **hip car to be driving.**” Not surprisingly, Zipcar has them.

Around the world, countries with higher fuel costs and more stringent regulatory requirements consider “**green**” **technology a standard** component of building. They plant rooftop gardens that insulate buildings while minimizing storm water run-off. They orient new construction to maximize sun exposure and thus natural heat. They use **healthier materials at the outset**, avoiding later medical complications as well as the need to retrofit. BCC has embraced this strategy, promoting these same principles in the construction of affordable housing. We are creating financing products to pay for green development costs, and considering green standards for each of the projects we finance. Dick Jones, COO of BCC, describes our reasoning: “The **sustainable healthy communities** and affordable housing and community development that we do are entirely consistent with environmentally sensitive healthy green development. More importantly, there are real consequences to not looking at the environment. It is an **issue of justice**; lots of the bad stuff has gotten dumped in poorer communities.” While few would argue against the environment, per se, many argue that the added costs outweigh the added benefits. One of our goals is to **develop a more holistic analysis**, looking at the lifecycle costs of a building. Jones says BCC is trying “to determine if there are savings that we can lend against. For instance, we might spend 2% more for construction, but save 10% in operating costs.” Other **long-**

term cost-benefits—such as the well-being of residents and the maintenance of the structure—are equally critical though harder to quantify. However, both experience and common sense underscore their importance. “As lenders, we are at real risk of having properties that are in financial trouble if fuel costs go way up,” Jones points out. **Careful planning** and expert advice are keys to success—and to streamlining costs. “We want to make sure we have the best engineer in from day one, working with the architect to **integrate green elements in the design**,” Jones explains. “Maximum solar exposure can drive down heating costs, but you certainly can’t make that decision at the end.” One key challenge is to supply enough money upfront that those smart decisions are made. To support these costs, BCC is expanding its early-stage financing for integrated green design. And we are collaborating with a consortium of four peer groups, known as the **Green Building Production Network**, to provide grants and technical assistance to affordable housing projects to achieve substantial green outcomes. Ultimately, **innovation will be imperative for success.** We are seeking some powerful new solutions that will create major changes in the ways **green and affordable housing** is designed, financed, built and managed. The end goal: a sustainable model for green development.

Developing educational initiatives, fostering conservation and bringing new business to distressed communities takes money. One solution: The New Markets Tax Credit, an incentive for commercial partners to create a new pool of assets that we can leverage to fund local and national projects.



The Media and Technology Charter High (MATCH) School has a four-year program to prepare Boston students to succeed in college and beyond. MATCH School students “arrive from their various middle schools having scored, on average, in the lowest 10% in Massachusetts on their 8th grade MCAS,” according to Executive Director Alan Safran. The MATCH School’s job is to change what might seem like the inevitable outcome of those poor scores. In 2005, MATCH School 10th graders outperformed suburban students across the Commonwealth, with MCAS scores in the top 20%. Safran continues, “One hundred percent of our first and second Graduating Classes (2004, 2005) were admitted to colleges across the nation—including Brown University, Georgetown University, and Spelman College.” In other words, in four short years these students move academically from the lowest 10% of their peers to the highest 20% and on to college. How are they able to make that shift? Because the MATCH School supplies unrivaled support on every front. “The MATCH School has 68 full-time adults for 185 students. All our kids get two hours a day of individual

tutoring from residential college graduate tutors. We provide a summer academy at MIT for all incoming freshmen and other students who have failed classes during the year; run a freshman class in media and technology tied to reading, writing and research; offer Advanced Placement courses for all juniors and all seniors.” Not surprisingly, MATCH School methods are attracting attention and accolades. The Wall Street Journal, CNN and the New York Times have all praised the school. Further tributes have come from MassInc, Mass Insight, Hewlett Packard and the US Dept. of Education. But the most important recognition is internal: Students are proud. Parents are grateful. And demand is soaring. “In spring 2005, 478 families applied for just 70 slots in our random admission lottery,” Safran says. He is clear about what that means: “There is strong community demand for small, autonomous, rigorous public high schools,” high schools where every student has a chance to succeed.

BCC helped close a new markets tax credit deal—providing an \$8.5 million leverage loan—that will save the school considerable money in debt service. Now we can use that money for educational support for our kids.



BCC’s mission has always focused on using innovative financial tools to help build healthy communities where low-income people live and work. And one path to accomplishing that has been to leverage sustainable and efficient private sector investment. Now, the New Markets Tax Credit (NMTC), designed to promote private capital investment in low-income communities, has enabled us to leverage available assets—and to expand our reach far beyond our original urban environs. BCC has already placed roughly half of its \$70 million NMTC allocation. In two recent NMTC transactions we have helped preserve nearly a million acres of rural Maine as sustainable forest—along with 300 related at-risk forest-product jobs. The transaction includes the Nature Conservancy’s right to purchase conservation easements on the most environmentally valuable tracts and creates a fund to support entrepreneurship among the local population through new eco-tourism businesses. The scope of these projects is due entirely to the NMTC—monies that enabled the transactions, in the aggregate, to support an additional \$174 million in non-tax credit supported debt. Across the country, in Washington state, a similar project will preserve 84,000 acres of previously prime forest abutting the reservation lands of the Makah tribe on the Olympic Peninsula. After decades of clear-cutting, over-harvesting, and other poor forestry practices the land had been substantially degraded. Yet this transaction gives it new purpose, creating a partnership among a forest products management company,

the Makah tribe, and Eco-trust, a non-profit organization that has developed new approaches to “triple bottom line” management of West Coast rain forests. The result: maximizing economic, environmental and social returns. As Bettina von Hagen of Eco-trust describes it, “This forest land is in one of the most remote and inaccessible corners of the continental U.S. Over the past few decades, the local communities have been challenged by declining timber harvests, declining productivity of fishery catches and by increased efficiency in the forest-products sector. Our strategy is to engage in restorative forestry, which generally employs more people, provides higher value jobs and supplies a more constant flow of timber to the local communities.” The land will be managed to preserve habitat and to increase carbon sequestration through reforesting the area, extending harvest rotations, and engaging in selective logging rather than clear-cutting. The result, as von Hagen explains, will “...allow the forest to return to an older and more complex structure.” Eco-trust is also using the purchase of this land as a model; working with local utilities, they are trying to establish carbon credit and habitat credit markets. If they are successful, other companies will have an incentive to manage their forests in a similar environmentally sound and socially sustainable fashion. That is precisely the sort of lasting impact for which BCC strives.



BOSTON COMMUNITY CAPITAL ORGANIZATIONAL STRUCTURE

BCC and its affiliates provide a wide range of debt and equity products for low-income communities, and for emerging businesses and entrepreneurs.

Boston Community Loan Fund lends money to community projects such as affordable housing and community facilities that might not otherwise be able to be financed.

Boston Community Venture Fund makes equity investments in both emerging and existing businesses that create jobs or provide services for low-income communities.

Boston Community Managed Assets develops our new business initiatives and innovative funding vehicles for low-income individuals and communities.

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MISSION STATEMENT

Boston Community Capital's mission is to build healthy communities where low-income people live and work. To this end, we:

- Finance affordable housing, child care facilities, arts programs, schools, health clinics, youth programs and other community services.
- Invest equity dollars into businesses that create social and financial returns.
- Develop new financial tools that connect low-income communities to mainstream financial markets.

We serve as a vehicle for a wide range of investors, including individuals, institutions and faith-based organizations. Working together, we achieve the cost-effective access to capital that is a key to building healthy communities.

BOSTON COMMUNITY CAPITAL

Major Contributors

Anonymous foundation
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Mr. & Mrs. John H. Clymer in memory of Arthur Perry

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The Rockefeller Foundation

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Sudbury United Methodist Church
Patricia A. Thompson
Trinitarian Congregational Church
Lee and Cynthia Vance Foundation
Wainwright Bank & Trust Company
Edwin S. Webster Foundation
Lloyd and Ruth Weinreb

We are also deeply grateful for the contributions of numerous individuals and organizations – including many long-time supporters of our work – who prefer to remain anonymous.

BOSTON COMMUNITY VENTURE FUND

Portfolio Companies

Acelero Learning, New York, NY
CASTion Corporation, Ludlow, MA
City Fresh Foods, Inc., Dorchester, MA
Eating Well, Charlotte, VT
Dynex, Inc., Chantilly, VA
ESA, Inc., Chelmsford, MA
GeoVue, Inc., Boston, MA
Clearsource Bottled Water, Natick, MA
Magellan Biosciences, Hopkinton, MA
Protedyne Corporation, Windsor, CT
SelecTech, Inc., Taunton, MA
SpringBoard Technology, Springfield, MA

TekCel, Inc., Hopkinton, MA
The Foreside Company, Gorham, ME
WorkSource Staffing Partnership, Brookline, MA
Zipcar, Inc., Cambridge, MA

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Citizens Bank
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The Boston Foundation
Cabot Corporation
Community Development Financial Institutions Fund
Fidelity Management Trust Company
National Community Capital Association
The Mabel Louise Riley Foundation
Boston Community Capital

BOSTON COMMUNITY LOAN FUND

Borrowers

Allem Realty Trust
Alliance for Animals
Alliance for Young Families
Allston-Brighton Community Development Corporation
Architectural Heritage Foundation
Artists Cooperative at 300 Summer Street
Artist Tenants of the South End Cooperative Corporation
Asian Community Development Corporation
Bethel AME Church
Boston Aging Concerns - Young & Old United, Inc.
Boston Citywide Land Trust
Boston Film and Video Foundation
Boston Neighborhood Housing Services
Bridge Housing Corporation
Brookside Artists, LLC
Cambodian Mutual Assistance Association
Casa Esperanza
Casa Myrna Vazquez, Inc.
Casa Nueva Vida
CASCAP
Chelsea Neighborhood Housing Services
Chestnut Street Cooperative
Citizen Schools
Citizens For Affordable Housing in Newton Development Organization (CAN-DO)
City Lights
The City School
Codman Square Neighborhood Development Corporation
Communities United, Inc.
Community Action Agency of Somerville
Cushing Manor Support Facility
Dimock Community Health Center (Social Justice for Women)
Dorchester Bay Economic Development Corporation
Dorchester Gardenlands
East Boston Community Development Corporation
Ecumenical Social Action Committee (ESAC)
Edward Denney
Ellington Street Cooperative Corporation
Elizabeth Stone House: Transitional Housing Project
Emmanuel Gospel Center
ETC Development Corporation
Falmouth Housing Corporation
Fairfield Real Estate Development Corporation
Fenway Community Development Corporation
Finex House
First Night, Inc.
Forest Glen Cooperative
Fort Point Arts Community

Fort Point Arts Development Collaborative
Fountain Hill Condo Association
Franklin Field South Neighborhood Association
Friends of Shattuck Shelter
Gay and Lesbian Advocates and Defenders (GLAD)
Generations, Inc/Magic Me
Guidance Center, Inc./Center Inc.
H R Ross Industries
Harvard Community Health Center/Griffin House
Harwich Ecumenical Council for the Homeless
HEARTH (formerly Committee to End Elder Homelessness)
HomeStart, Inc.
Humphreys Street Studios
Inquilinos Boricuas en Accion (IBA)
Jamaica Plain Neighborhood Development Corporation
Jamaica Plain Scattered Site Cooperative
Jewish Community Housing for the Elderly (JCHE)
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Jumpstart for Young Children, Inc.
Just-A-Start Corporation
Keen Development Corporation
Kit Clark Senior Services/ Federated Dorchester Neighborhood Houses
Lifehouse
Living in Dorchester
Madison Park Development Corporation
Mattapan Community Development Corporation
MD Properties
Media and Technology Charter High (MATCH) School
Methunion Manor Cooperative Corporation
Miles Properties, Inc.
Milton-Fuller Housing Corporation
Mission SAFE
Mitchell Properties
Neighborhood of Affordable Housing (NOAH)
Neighborhood Development Corporation of Grove Hall
North Metropolitan Homemakers - Home Health Aide Service
Nuestra Comunidad Development Corporation
Nueva Vida, Inc.
Nu-Life Development Corporation
Operation Outreach - USA, Inc.
Paige Academy
Park View Cooperative Corporation
Paul Sullivan Housing Trust
Peace at Home
Penikese Island School
Peterbridge, Inc.
Pine Street Inn

Putnam and Western Cooperative
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Rehoboth Bethel Development Corporation
Roxbury Multi-Service Center
Ruggles Affordable Assisted Living Center
Salem Harbor Community Development Corporation
Salem Mission
Second Home/United Homes for Children Shelter, Inc.
SMILE Pre-School Inc.
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Somerville Community Corporation
South Boston Neighborhood Development Corporation
Spontaneous Celebrations
Tent City Corporation
The Communities Group (TCG) of Massachusetts
The Starting Line/ MOPPETS
Frank Thomas/Otisfield, LLC
Trinity Development/Foley Assisted Living
Tuttle House, Inc.
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Veterans Benefits Community Development Corporation
Victory Programs
VIET-AID
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VNA Lowell Street Limited Partnership
Vocational Adjustment Center
Volunteers of America of MA
Wabash Construction
WATCH, Inc.
Windale Developers, Inc.
Women's Educational Center (The Women's Center)
Women's Housing Initiative (Brookview House)
Women's Institute for New Growth and Support (WINGS)
Worcester Common Ground
Worcester East Side CDC
YWCA of Boston

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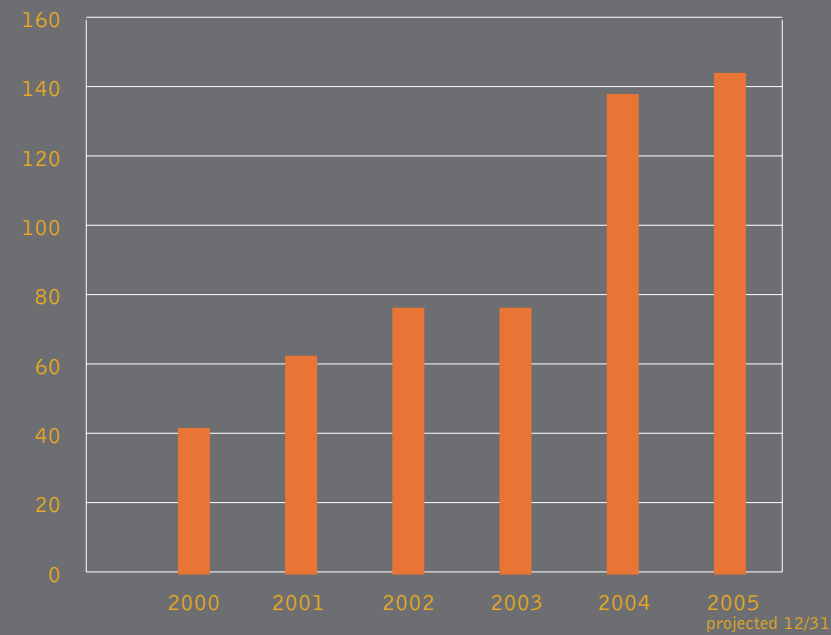
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 Barre Center for Buddhist Studies
 Belmont United Methodist Church
 Boston Tzedec Community Fund^
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 Church of St. Luke and St. Margaret, Allston
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 Evangelical Lutheran Church of America
 First Church in Cambridge, Congregational
 First Church of Christ, Bedford
 First Congregational Church of Winchester
 First Congregational Church of Winchester Women's Association
 First Parish in Lincoln
 First Parish in Weston
 First Parish of Westwood, United Church
 Harvard Epworth United Methodist Church, Cambridge
 Jewish Community Relations Council^
 Jewish Organizing Initiative^
 Massachusetts Conference of the United Church of Christ
 Needham Clergy Association

BOSTON COMMUNITY LOAN FUND LOANS BY TYPE 1985-2005 CUMULATIVE (AS OF 9/30/2005)



Affordable Homeownership	\$51,579,598	31%
Affordable Rental Housing	\$53,857,763	33%
Supportive Housing and Shelters	\$25,307,279	16%
Child Care, Schools and Youth Programs	\$19,896,870	12%
Community Facilities and Commercial & Industrial Real Estate	\$14,751,688	8%
Total	\$165,393,198	100%

ASSETS UNDER MANAGEMENT
(\$ IN MM)



Nelson Memorial Apartments, Inc./First Lutheran
 New England Annual Conference of the United Methodist Church
 Old South Church in Boston
 Church of Waltham
 Parish of All Saints Church, Belmont
 Parish of the Epiphany, Winchester
 Park Avenue Congregational Church, Arlington
 Presbyterian Church in Sudbury
 Presbytery of Boston
 Saint Elizabeth's Episcopal Church, Sudbury
 Saint Paul's Episcopal Church, Brookline
 School Sisters of Notre Dame, Wilton, CT
 Seeds of Change
 Sisters of the Assumption of the Blessed Virgin
 Sisters of Charity of Halifax
 Sisters of Charity of Montreal, Grey Nuns
 Sisters of Charity of Saint Elizabeth, New Jersey
 Sisters of Notre Dame de Namur, Ipswich Province
 Sisters of St. Anne
 Society of the Divine Word – Chicago Province
 Society of the Holy Child Jesus
 Society of Jesus, New England Province
 Society of St. John the Evangelist
 Sons of Mary, Health of the Sick
 St. Anne's-in-the-Fields, Lincoln
 St. Peter's Episcopal Church, Weston
 Sudbury United Methodist Church
 Temple Emanuel of Newton^
 Temple Shalom of Newton^
 The American Baptist Churches of Massachusetts
 The Micah Fund^
 The Sisters of St. Francis of Philadelphia
 Trinitarian Congregational Church, Concord
 TZEDEC Economic Development Fund of the Shefa Fund^
 Unitarian Universalist Association of Congregations
 United Parish of Auburndale
 Wayland Interfaith Clergy
 Winchester Unitarian Society
 Women of the Epiphany, Winchester
 Women's Association of the Eliot Church, Newton

Foundations and Institutions

Architectural Heritage Foundation
 Bank of America**
 TD Banknorth, N.A.*
 Barred Rock Fund
 Belmont Savings Bank*
 Boston Federal Savings Bank
 The Boston Foundation
 Boston Private Bank & Trust Company*

Boston Trust & Investment Management Company
 Brown Brothers Harriman & Co.
 Calvert Social Investment Fund
 CASCAP
 Central Cooperative Bank*
 Citizens Bank*^o
 Clipper Ship Foundation, Inc.
 Community Development Financial Institutions Fund*
 Dedham Institution for Savings*
 Eastern Bank*
 ENAID Housing Trust
 Fannie Mae Foundation
 Fidelity Management Trust Company^o
 Fiduciary Trust Company
 Funding Exchange Endowment
 Funding Exchange Pooled Fund
 Greeley Foundation
 Harvard University*
 F.B. Heron Foundation*
 Hyde Park Savings Bank*
 Investors Bank & Trust Company*
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 The Life Initiative^o
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 National Community Capital Association
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 New England Foundation for the Arts
 The Obermayer Foundation^
 Parnassus Fund
 Property and Casualty Initiative^o
 Rosie's Place
 Robert Treat Paine Association
 Rubblestone Foundation
 Salem Five Cents Savings Bank*
 State Street Bank*
 United States Trust Company*
 Wainwright Bank & Trust Company^o
 Walter Fernald State School
 Washington Mutual Bank

And the many individuals, institutions, and religious organizations who wish to remain anonymous

* Equity Equivolant Investor
^o Purchaser of loan partnerships
[^] Investor in the Micah Fund: The Greater Boston Jewish Fund for Community Economic Development, a CJP/JCRC Initiative
 ** Wellesley Alumnae Investor

JOIN US

We invite you to join us in our mission of building healthy communities where low-income people live and work.

- Lend money to the Loan Fund
- Invest money in the Venture Fund
- Donate money to Boston Community Capital
- Refer loan and investment opportunities
- Introduce us to nonprofit organizations and entrepreneurs working to create healthy communities

Please contact Boston Community Capital at (617) 427-8600 if you would like to put your money to work with us or if you know people or organizations we should be talking to about building healthy communities.



For more information, contact us at:

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Boston, MA 02119-3236

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www.bostoncommunitycapital.org