



25
YEARS
STRONG



missionfirst
HOUSING GROUP



LETTER FROM OUR CEO & BOARD CHAIR

Dear Friends,

Mission First's 25th anniversary gives us the opportunity to reflect back on the challenges and triumphs of our first quarter century. What an incredible journey it's been!

With this publication, we're happy to give you an opportunity to understand more about the Mission First story, and to offer a peek into what's ahead for us.

Mission First started with a simple idea. Launched with seed money from the Robert Wood Johnson Foundation, the City of Philadelphia and HUD, our charge was to provide for the housing needs of adults living with chronic mental illness.

As you will read in the following pages, it all began with a row house in South Philadelphia, a resident named Mary, and the belief that everyone deserved a safe, affordable place to call home – even the hardest to serve.

Along the road to our 25th anniversary, Mission First has weathered changing financial climates and economic downturns, while remaining fiscally strong. We've expanded to provide a more comprehensive array of real estate and supportive services, and we've committed ourselves to helping others in need.

Now, Mission First is a Mid-Atlantic nonprofit providing housing for 3,800 individuals in 2,800 units from upstate Pennsylvania to Northern Virginia. Today, we serve seniors, veterans, survivors of domestic violence, families and individuals with disabilities.

Throughout this growth and change, we've remained true to our mission to provide safe, affordable housing for the most vulnerable. We will continue to work closely with the City of Philadelphia to provide housing for those in need, and we are committed to working with other partners to help solve housing insecurity issues in other locales.

Here's a taste of what the next 25 years might bring:

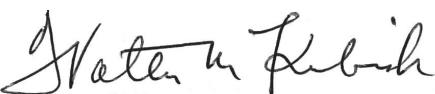
- We will expand and tailor services for residents to ensure that everyone who lives in Mission First housing has the resources they need to live healthy, independent lives.
- We will bring new housing approaches to address social issues for veterans, seniors and families.
- We will build upon our current strategic alliances, and explore new partnerships to serve more people in need.

We're grateful for this occasion, as it gives us the opportunity to thank those who have helped us along the way. Thanks to the extraordinary commitment of so many partners and funders, today, thousands of people have a safe, affordable place to call home. And to our dedicated staff, some of whom have been with us since the beginning, your work ethic and commitment to mission are inspiring.

And perhaps most importantly, our 25th anniversary year gives us the opportunity to reflect on the issue we are here to address. To the many individuals and families still in need of a place to call home, we commit to doing more.

Thank you for celebrating with us. We are honored and privileged to have been a part of Mission First Housing Group's first 25 years.

Warmly,



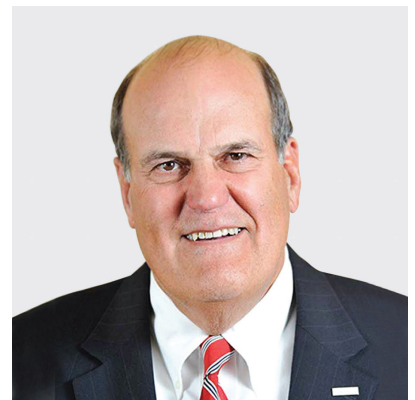
Walter M. Kubiak
Chief Executive Officer



Harry G. "Skip" Dittmann
Chair, Board of Directors



Walter M. Kubiak



Harry G. "Skip" Dittmann



Our First Property: 2021 South 3rd Street, Philadelphia

THE BEGINNING



HISTORY

Mission First Housing Group was founded in 1988. At the time, it was known as 1260 Housing Development Corporation. Founded as a joint venture between the City of Philadelphia, U.S. Department of Housing and Urban Development and the Robert Wood Johnson Foundation, our original mission was to meet the housing need of a very vulnerable population – adults living with chronic mental illness. This population was slipping through the cracks, and the need was large and complex enough that it required a comprehensive, coordinated response.

1989



34 AFFORDABLE
HOUSING UNITS



4537-39 Osage Avenue, Philadelphia

IN OUR FIRST YEAR WE PROVIDED HOUSING FOR FEWER THAN 50 INDIVIDUALS.

FIRST RESIDENT

In June 1989, Mission First acquired its first property – a South Philadelphia duplex. This property is still in our portfolio. Our first resident moved in to an apartment there October 1, 1989 and lived there for 22 years.



Mission First was very good to me. I really appreciate the staff; they made sure I had a safe and comfortable place to live. Those were some good years. My eyes start to water when I talk about it, because I loved the apartment and the neighborhood so much. I got the best apartment they had.

Mary, our first resident



4445 Kendrick Street, Philadelphia



8020 Ditman Street, Philadelphia



4200 Block of Parkside Avenue, Philadelphia

ALONG THE WAY

Mission First has grown significantly since it was founded 25 years ago. We used a variety of strategies and best practices to support our expansion, including incorporating an affiliated nonprofit entity to lease, manage and maintain properties and coordinate resident services; leveraging funding to acquire property; assembling complex financing sources and developing a successful model for utilizing mergers, acquisitions and friendly take-overs to help stabilize troubled affordable housing projects and expand its portfolio.

COLUMBUS PROPERTY MANAGEMENT

In 1993, Mission First created Columbus Property Management, Inc. (CPM). Our dedicated team of property managers and maintenance technicians ensure that all Mission First residents have a safe, healthy place to call home.

for a particularly vulnerable population, Mission First sought to expand its model to new geographies and serve others in need. As we have grown, here's what has remained consistent: we go where there is a need, and we go where we are invited and supported by local partners.

TAKING OUR MISSION OUTSIDE OF PHILADELPHIA

Despite our best efforts, the need for safe affordable housing still exists. We know that finding a decent, affordable home is a challenge for all renters, but the poorest households have very few options.

Having developed a successful model for providing safe, quality, affordable housing



1994

 **332 AFFORDABLE HOUSING UNITS**

2009

 1,971 AFFORDABLE HOUSING UNITS



The relationship between Mission First and Women Against Abuse has really allowed us to offer many more opportunities for safe, affordable and permanent housing to survivors of domestic violence. This gives them the ability to really get back on their feet.

Jeannine L. Lisitski, Executive Director, Women Against Abuse, Inc.



Mission First is unique in that it brings sophisticated financial skills, housing industry experience, and visionary human sensitivity to its affordable housing clients. For years to come, the residents of the Golden Rule developments and the members of the Sponsor, Bible Way Church of Washington, DC, Inc., will honor Mission First for playing a critical role in helping the Church realize its mission of providing and preserving affordable housing in downtown Washington, DC.

Alicia Terry, President, Golden Rule Plaza, Inc.



ACQUISITIONS AND FRIENDLY TAKEOVERS: PROBLEM SOLVING

Mission First has a successful history of utilizing mergers, acquisitions and friendly take-overs. We have used this strategy to stabilize and preserve important affordable housing assets, and to expand our mission outside of Philadelphia.

A MOVE TO WASHINGTON, DC

In 2010, as 1260 HDC looked to expand its development footprint outside of the city of Philadelphia, it acquired Mission First Development in Washington DC. The merger brought property management and back office operations to Mission First, and expanded 1260 HDC's footprint to the Mid-Atlantic region. Operating under the name Mission First HDC, the DC office has since completed 439 units of housing, with 171 units in construction and over 530 in predevelopment. At the time of its acquisition, Mission First had already developed 1151 units, many of which CPM now manages. In 2014, the Mission First name became the brand for the entire organization.

GOVERNMENT PARTNERSHIPS

Mission First lends its expertise to other organizations and municipalities seeking



to address social issues through affordable housing.

PARTNERING WITH THE STATE OF DELAWARE

In 2013, Mission First was engaged by the State of Delaware to help develop a community-based housing solution for adults living with chronic mental illness. Currently, we are managing more than 100 housing units, and collaborating with Delaware Health and Social Services' Division of Substance Abuse and Mental Health to expand supportive housing options in the State.

COMMUNITY PARTNERSHIPS

Mission First has a rich history of collaboration with other nonprofits, community groups, funders, faith-based institutions, and public agencies.



The SeVerna, 1001 1st Street, NW, Washington, DC

TODAY

Today, our mission is to develop and manage affordable, safe and sustainable homes for people in need, with a focus on the vulnerable.

- We ensure our residents have access to resources to help them live independently.
- We deliver housing that provides long-term benefits to residents and neighborhoods, alike.

Now our footprint is the entire Mid-Atlantic region and we serve a diverse resident population that includes families, veterans, seniors and individuals with disabilities. Today, we serve over 3,800 people in over 2,800 units.

2014



2,809 AFFORDABLE HOUSING UNITS

RECENT PROJECTS

LEGACY PRESERVATION INITIATIVE

Legacy Preservation Initiative rehabilitated 138 units in 13 buildings across the City of Philadelphia. Mission First acquired most of these buildings in its early years. Recapitalizing and upgrading the project creates more efficient buildings, improves quality of life for residents, and keeps these properties affordable for many years to come.

A \$3 million grant from the Department of Housing and Urban Development's (HUD) Energy Innovation Fund helped fund energy-related capital upgrades in Mission First's Legacy Preservation Initiative, designed to create energy cost savings across the project of more than 20%.

FELLS POINT STATION

Fells Point Station, a mixed-use, mixed-income project, is the first new construction in Upper Fells Point, Baltimore's oldest waterfront neighborhood, in more than 50 years. This adaptive reuse project included new construction, and the renovation of a historic police station originally built in the 1920s. The 47-unit project provides housing for individuals and families in a wide range of income levels.





Fells Point Station, 1621 Bank Street, Baltimore, MD



housing for veterans throughout our current portfolio, and we are developing new housing for veterans. We also provide housing rental assistance through our Fund for Veterans for those who need a little extra support getting back on their feet once they've found a home with Mission First. Today we provide housing for 100 veterans, 11 of whom are assisted by the Fund for Veterans.



I'm calling with regards to thanking you immensely, because yesterday was a year since I moved into my apartment, and I really, really love it. And it's all due to you, so I just wanted to say thank you. And I really, really appreciate what you have done for me. I didn't forget you, so thank you very much.

A Voicemail Message from Resident Joseph Hutt, United States Army 1977-1981, beneficiary of the Fund for Veterans' subsidy.



If I wasn't under Columbus Property Management, I believe that I would probably be depressed, stressed and struggling to live. I am very thankful for that support system.

Salina, resident of Parkside

RESIDENT SERVICES

Mission First's Resident Services Department ensures high quality services are available to all residents. Services include case management, community and social events, and educational programs—all of which provide support for residents to live independently, overcome challenges, and meet individual and family goals. Today, Mission First makes services available to nearly 1,000 residents, including children, adults and seniors, in Philadelphia and Washington, DC.

FUND FOR VETERANS

We're doing our part to help reduce the number of homeless veterans. We provide



MPB School Apartments, 2811-2819 W. Sedgley Avenue, Philadelphia



The SeVerna on K, 43 K Street, NW, Washington, DC (now open)

THE FUTURE

Dedicated staff and committed partners are critical to the success of Mission First Housing Group. We have built strong partnerships with many different organizations all in service of the same goal – to ensure that everyone has a safe, affordable place to call home.

NEW PROJECTS

- Nearly 200 units under construction
- Over 500 units in predevelopment

HIGHLIGHTS

WESTMINSTER

Construction is underway for a development in the Mill Creek neighborhood of West Philadelphia, which will provide independent living for seven disabled veterans. This project is funded in part by a grant from The Home Depot Foundation, whose mission is to ensure that every veteran has a safe place to call home.

PLAZA WEST

In October, Mission First was awarded financing from the Government of the District of Columbia's Department of Housing and Community Development to develop Plaza West, a 223-unit development in the Mount

Vernon Triangle neighborhood of Washington, DC. The project will include 173 affordable units for individuals and families, as well as an additional 50 grandfamily units for grandparents raising grandchildren.

BORDENTOWN SENIOR HOUSING

Mission First is planning to break ground on our first project in New Jersey, a 48-unit development that will serve seniors and veterans.

WYALUSING MEADOWS

The Pennsylvania Housing Finance Agency has approved financing for a project in Bradford County, PA that will develop 50 units of affordable housing for families priced out of the local housing market.



Wyalusing Meadows, Bradford County, PA (rendering)

community and economic development activities. Through this strategic alliance, Mission First will bring ACHIEVEability's education-based supportive housing model to more individuals and families in our own portfolio.

MAKING IT POSSIBLE TO END HOMELESSNESS

Mission First is currently pursuing a strategic alliance with Making It Possible to End Homelessness (MIPH), a nonprofit organization in Edison, New Jersey that provides housing and services to homeless individuals and families. This alliance will help strengthen Mission First's presence in New Jersey, help to preserve important affordable housing assets for homeless individuals and families, and ensure that MIPH's current residents continue to receive the housing and services they need to live independently.

NEW PARTNERSHIPS

ACHIEVEABILITY

In September 2014, Mission First and ACHIEVEability announced a strategic alliance that will broaden and strengthen each organization's ability to serve individuals and families in Philadelphia and across the

Mid-Atlantic region. ACHIEVEability is a Philadelphia-based nonprofit organization that works to break the generational cycle of poverty for low-income, single parent, and homeless families through higher education, affordable housing, supportive services and





House Of Lebanon, 27 O Street, NW, Washington, DC

NEW FUNDING SOURCES

Today, Mission First is participating in the Combined Federal Campaign of the National Capital Area, which encourages federal employees to support approved charities through payroll deduction. We are pursuing philanthropic grants to expand services for residents, support capital projects and develop playgrounds and outdoor spaces for Mission First families. And we're seeking financial contributions from individuals and small businesses to support our work to provide housing and rental subsidies for veterans in need.

FUNDING & FINANCIALS

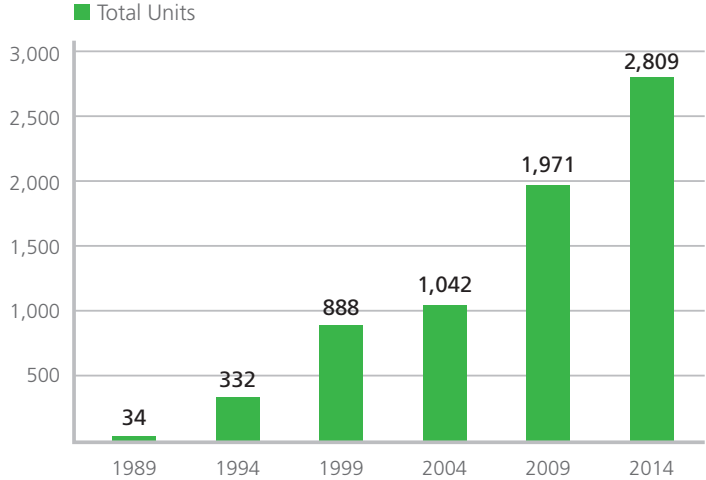
STEWARDSHIP IS A CORE VALUE

We believe it's our responsibility to carefully steward the resources entrusted to us by our funders and partners on behalf of our residents.

We've purposefully taken a conservative approach to advancing a social mission. By using resources wisely, we can serve more people in need, and ensure that our model is sustainable well into the future.

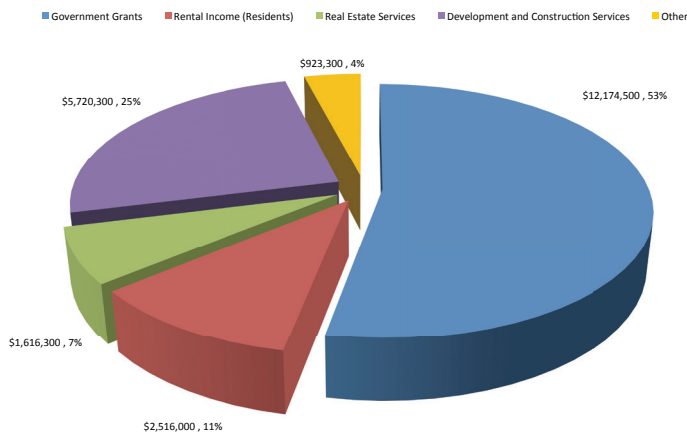
At the same time, we believe it is our responsibility to do more to meet the ongoing need for housing and services for individuals and families in need. We understand the need to be flexible, innovative, and forward thinking. It is in that vein that we are seeking out new partners and new funding sources to help us expand services, test new approaches and have a greater impact.

TOTAL UNIT GROWTH FROM 1989-2014



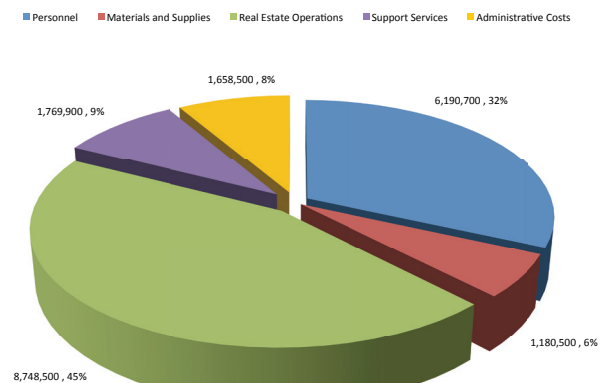
FINANCIAL REPORT: FISCAL YEAR ENDED JUNE 30, 2013

TOTAL SUPPORT AND REVENUE



Government Grants	\$12,174,500	53.0%
Rental Income (Residents)	\$2,516,000	11.0%
Real Estate Services	\$1,616,300	7.0%
Development and Construction Services	\$5,720,300	24.9%
Other	\$923,300	4.0%
Total	\$22,950,400	

TOTAL EXPENSES



Personnel	\$6,190,700	31.7%
Materials and Supplies	\$1,180,500	6.0%
Real Estate Operations	\$8,748,500	44.8%
Support Services	\$1,769,900	9.1%
Administrative Costs	\$1,658,500	8.5%
Total	\$19,548,100	

ASSETS

Current Assets	
Cash and Cash Equivalents	\$3,454,897
Accounts Receivable	\$10,903,196
Marketable Securities	\$3,587,072
Prepays and Deposits	\$419,497
Total Current Assets	\$18,364,662
Property and Equipment, net	\$22,002,795
Other Assets	
Restricted Cash Reserves	\$1,596,046
Accounts Receivable	\$25,703,714
Marketable Securities	\$2,795,000
Other	\$18,616
Total Other Assets	\$30,113,376
Total Assets	\$70,480,833

LIABILITIES AND NET ASSETS

Current Liabilities	
Notes Payable, Current Portion	\$750,838
Accounts Payable and Accrued Expenses	\$5,366,739
Prepaid and Deferred Revenue	\$1,431,192
Security Deposits	\$221,287
Total Current Liabilities	\$7,770,056
Other Liabilities	
Long-term Debt, Net of Current Portion	\$9,257,381
Deferred Revenue	\$10,800,203
Other	\$1,178,500
Total Other Liabilities	\$21,236,084
Net Assets	
Unrestricted	\$35,516,714
Temporarily Restricted	\$5,957,979
Total Net Assets	\$41,474,693
Total Liabilities and Net Assets	\$70,480,833

FUNDERS

Here are the people who have helped us along the way:

FEDERAL

U.S. Department of Housing and Urban Development
United States Department of the Interior:
Historic Preservation Tax Credits

STATE

D.C. Department of Housing and Community Development
D.C. Housing Authority
D.C. Housing Finance Agency
D.C. Office of the Deputy Mayor for Planning and Economic Development
Maryland Department of Housing and Community Development
New Jersey Housing Mortgage Finance Agency
Pennsylvania Department of Public Welfare
Pennsylvania Housing Finance Agency
State of Delaware Department of Health and Social Services

LOCAL

Bradford County, PA
Burlington County, NJ
City of Baltimore
City of Philadelphia
Philadelphia Housing Authority
PMHCC, Inc.
Philadelphia Redevelopment Authority

PRIVATE SECTOR

Apollo Housing Capital
Bank of America Merrill Lynch
Capital One
Community Lenders CDC
Enterprise Community Partners, Inc.
Enterprise Green Communities
Fannie Mae
Federal Home Loan Bank Atlanta
Federal Home Loan Bank New York
Federal Home Loan Bank Pittsburgh
Firsttrust Bank
Freddie Mac
Hudson Housing Capital
LISC Philadelphia
M&T Bank

National Equity Fund
PNC Bank
Prudential Mortgage Capital
Raymond James Tax Credit Funds
RBC Capital Markets
The Reinvestment Fund
Robert Wood Johnson Foundation
Santander Bank
Second Federal Savings and Loan
Self-Help Credit Union
TD Charitable Foundation
Wells Fargo

FUND FOR VETERANS (GIFTS OF \$100 OR MORE)

All Start Pest Services
ARC Midatlantic Excess & Surplus
BDO
Berger Real Estate Investment, Inc.
Steven A. Binnick
Butlurz (Vincent Kinley)
Cabin Dogs
Caldwell, Heckles and Egan, Inc.
Cedarville Engineering Group, LLC
Charmed Home Improvement (Jeannie Renna)
Mark Cohen
Commonwealth Land Title Company
Complete Carpentry General Construction, Inc. (Robert Trinkley)
Sebastian Corradino
Michael Davidson
Joe Davis
Deborah Deitcher
Diamond Trade Group, LLC
Harry G. "Skip" Dittmann
Donia & Associates (Kelly Donia)
Mark Duffy
Thomas Eastman
EBT Property Management, Co. (Deidre S. McDonald)
Environmental Management Group, Inc.
Larry Evans
Terrence Evans
Federal Home Loan Bank of Pittsburgh
Firsttrust
Goldstar Cleaning Business

The Hassel Foundation
Mark W. Hogan
Joseph Michael Painting, Inc.
Peter Kaplan
Kartman Fire Protection Services, Inc.
Brendan Kelley
James Kilcoyne
William J. Koons
Kramer + Marks Architects, P.C.
The Leaphart Family Foundation
M&T Charitable Foundation
Paul Marcus
Samuel J. McCullough, Jr.
McDonald Building Company, LLC
McKonly & Asbury, LLP
John A. Messantonio
Gina Muldrow
Johnnie L. Oliver
Palomino Roofing, LLC
Perfect Solutions Management & Sales, Inc.
Pfaff Brothers Construction, Inc.
Priority Painting, LLC (Lito)
Prism Financial Group, LLC
Pro-Venture, Inc. (Steve Comroe)
Joseph Purcell
RCMS Properties (Ron Shapiro)
Garry M. Renna
Revolution Recovery LLC
John & Sally Rooney
Snojax Partners
Thomas Mill Associates (John Paone)
Titan Incorporated
Travers Contractors, Inc.
Voegele Mechanical, Inc.
James Walsh
Linford A. White
Weston Solutions
Woodside Kitchens, Inc.

We also extend our sincere thanks to any individual not named here, in particular, all of the employees of Mission First Housing Group who have supported the Fund for Veterans through their own fundraising efforts or personal contributions.

*This list is complete as of June 30, 2014.

From one row house in South
Philadelphia to thousands of
units in the Mid-Atlantic region...
**wait until you see what we do in
the next 25 years.**



SOUTH ELEVATION
SCALE 1/4" = 1'-0"

D.C.D.P.W. Archives Drawing No.
1-0-4-781

M.M. Washington, Inc.
MUNICIPAL TRAINING SCHOOL NO 172
LOCATED ON Q STREET N.W.
BETWEEN FIRST & FORTH CAPITOL TREETS
SQUARE 616
WASHINGTON D.C.
CROWLEY & BOARD MUNICIPAL ARCHITECTS

RETURN TRACINGS TO PLAN FILES

5-A.4



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