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OpenDoor Housing Fund Quarterly Update First Quarter 2008

We are pleased to present you with the inaugural issue of the *OpenDoor Housing Fund Quarterly Update*. As most of you know, 2008 is the first full year of operations for OpenDoor. The first quarter has resulted in a full merger of the former operations of the Unitarian Universalist Affordable Housing Corporation and the Washington Area Housing Trust Fund, and new growth for our organization. OpenDoor is now the largest locally headquartered and controlled affordable housing revolving loan fund in the Washington metropolitan area. OpenDoor is proud to provide development funds to borrowers that build and preserve affordable homes throughout our region.

Opening Doors

Here are some highlights of OpenDoor's current initiatives. I believe they illustrate the good work made possible with your support and partnership.

So Others Might Eat (SOME) received its fourth loan from OpenDoor last fall. SOME, a nonprofit dedicated to serving the most needy residents of the District of Columbia, used OpenDoor funding to acquire a newly renovated 24-unit building in Southeast Washington. SOME is using the building to create housing for 22 very low income families. We're honored and excited to partner with SOME's ongoing initiative to create 1,000 new units of housing for people at risk of homelessness.

OpenDoor originated its third loan to the nonprofit Montgomery Housing Partnership (MHP), in October 2007. This seven-year, \$200,000 loan was funded with a 15-year no-interest loan from the Maryland Community Legacy program. MHP is using the loan to refinance and renovate 19 apartments in four buildings on Nolte Avenue within walking distance to the newly revitalized downtown Silver Spring. Families earning less than 60 percent of area median income will continue to live in the building.

In February 2008, the Iowa Avenue Tenants Association successfully secured construction financing, which will allow the residents to take the next step of converting their apartment complex to eight affordable ownership units for first-time homeowners. All of this was made possible by the loan from OpenDoor.

Financial Growth

I am pleased to report that OpenDoor recently received a \$250,000 Community Legacy Award from the State of Maryland for affordable housing initiatives in Prince George's County. OpenDoor also received a \$10,000 grant from PNC Bank to support its initiatives.

OpenDoor now has approximately \$17 million in lending assets, which has allowed us to raise our loan limits and expand the size of our lending portfolio and our operations.

Staff Introduction and Update

The professionals who are helping me take OpenDoor to a new level this year are the heart of our operations. The staff member we are profiling for this quarter's issue is Kathy LaTulippe, OpenDoor's office administrator, who is the anchor of our staff. In addition to keeping our office running, Kathy manages the IT infrastructure/email system and Mimota (Money In, Money Out) database. She also assists with investor relations, fundraising activities, and serves as the organization's in-house bookkeeper. Most recently, Kathy managed the successful construction of our new Web site. We have received very positive feedback about our site, and if you haven't yet checked it out, please visit www.opendoorhousingfund.org.

Peggy Sand, OpenDoor's senior vice president, has been the cornerstone of operations for six years as the President of the Washington Area Housing Trust Fund, and has been a tremendous help to me since I joined last May. Many of you know Peggy well, and are aware of her contributions. Peggy will be returning to her work as an independent housing and community development consultant and volunteering for Barack Obama's presidential campaign. Peggy has assured me that she will continue to provide information about the organization's historical context, as well as guidance in the future.

Open Door's Brand

OpenDoor is establishing its brand in the Washington metropolitan area. Our reputation is growing as others see that we are uniquely positioned with lending capital, staffing resources, and unparalleled knowledge of local communities to effectively expand affordable housing opportunities in our region. OpenDoor recently testified at a hearing held by DC Ward 8 Councilmember Marion Barry on the subject of affordable housing. In January, I represented OpenDoor in a discussion of Fairfax County's 10-year plan to prevent and end homelessness on the program *Community Voices* on Reston's Community TV 28. On March 28, as OpenDoor's spokesperson, I joined Robert Zdnek (National Housing Institute), Jim Gray (NCB Capital Impact), and Angie Rodgers (United Way of the National Capitol Region) on a panel sponsored by the Housing Association of Nonprofit Developers (HAND) reviewing "Best New Ideas in Housing and Community Development."

Moving Forward

OpenDoor has a goal to help create or preserve 5,000 homes over the next five years. The changing market conditions and credit environment make this a challenging time to pursue this goal, but also underscore the need for mission-oriented lenders like OpenDoor, and inspire our efforts to provide flexible capital to support the creation of affordable housing.

We're confident that we are on the right course to meet our goal. With these quarterly reports, we hope to keep all of OpenDoor's stakeholders – our investors, supporters, borrowers, partners, friends, and leadership – informed of our challenges and successes as we work toward our goal and chart our course to continued growth and success.

We invite your participation, support, ideas, and feedback as we move through the remaining months of 2008. All of us here at OpenDoor value our relationship with you, and look forward to hearing from you.

Best,

Jerry

Jerry Konohia
President and CEO
OpenDoor Housing Fund