FUNDING AWARDS

Providence Housing was awarded $3.8 million in HUD 202 funds to construct Atwood Park, a 33-unit senior housing community in Monroe County, and subsequently was awarded an additional $262,000 planning grant from HUD in order to expedite development and construction of the property. Plans are underway for a location off of Lyell Road, Gates. Monroe County has committed an additional $400,000 in HOME funds to the project. Construction is planned to begin in early summer 2009, with construction completion in early 2010.

Northwest Apartments, a 23 unit scattered site project in Rochester’s Northwest neighborhood was awarded an allocation of low income housing tax credits in the 2008 round. The development, a partnership with NCS Community Development, was also awarded $345,000 from the Federal Home Loan Bank through member bank M&T, and $175,000 in City HOME funds. A homeownership program will be created to allow units to be sold to tenants at the end of the 15-year regulatory period. Construction is planned to begin in summer of 2009, with units completed as early as November, continuing throughout early 2010.

A $301,000 grant obtained by Interfaith Action through NYS Senator Joe Robach in September 2008 will allow Providence Housing and NCS Community Development Corporation to rehabilitate several homes framing Jones Square Park, and also will make funds available for repair and beautification grants in the area. The rehabbed homes will be available for purchase, and will be both single-family and owner-occupied doubles, increasing the stock of owner-occupied housing in Rochester. NCS will administer the repair and beautification grants. Jones Square Park was originally designed by Frederick Law Olmstead.

UNDER CONSTRUCTION

Olean Heights (phase III of the award winning Olean/Kennedy Revitalization project), a partnership with Rochester’s Cornerstone Group, welcomed its first tenants in the summer of 2008. The 32-unit scattered site project for families began construction in March, with units completed and leased to families on a rolling basis throughout the year. The final units will be completed and leased in February 2009. Each home features off-street parking, washer/dryer hook-ups, full basement, and a front and back yard. The units are located on Fulton Avenue and scattered throughout the PLEX neighborhood in the southwest quadrant of Rochester. More than 500 households remain on the waiting list for these units.

St. Salome Apartments, Irondequoit, are well underway, thanks to the good weather that lasted into late fall. More than 160 senior households submitted applications for these units. The 39 one- and two-bedroom apartments that make up the two-story main apartment building have easy access by elevator or grand staircase. All residents will have access to a large community room with kitchen and library area. Situated adjacent to St. Salome’s Church, the main building sits on the footprint of the former St. Salome Parish School. The main building is on schedule to be completed and fully leased by early spring 2009. (See ‘Properties that Opened’ for St. Salome Patio Homes)

PROPERTIES THAT OPENED

Medina County Estates, Medina, opened in early summer. Offering 24 apartments in one single-story building and one two-story building, the affordable rental housing is for families and seniors.

Crowley House, Lyons, is a six-unit facility that provides a home-like atmosphere for six adults with development disabilities. Providence Housing assisted Catholic Charities Community Services in obtaining HUD 811 funding.

St. Salome Patio Homes, part of the St. Salome Apartment project, welcomed seniors to the three brand new patio homes that were built adjacent to St. Salome’s Church, Irondequoit. All six of these two-bedroom units were completed and ready for occupancy in October. Each unit includes an attached one-car garage. Residents will have access to the laundry facilities and community room at the St. Salome Apartments main building.

<table>
<thead>
<tr>
<th>Number of units under construction or development</th>
<th>Value of units under construction or development</th>
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<tbody>
<tr>
<td>HUD 202</td>
<td>$3,876,800</td>
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<tr>
<td>Medina County Estates</td>
<td>$2,694,000</td>
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<tr>
<td>Northwest Apartments</td>
<td>$5,290,000</td>
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<tr>
<td>Olean Heights</td>
<td>$7,400,000</td>
</tr>
<tr>
<td>St. Salome Apartments</td>
<td>$8,898,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$23,549,396</td>
</tr>
</tbody>
</table>

2008 STATS

Mr. Jack Balinsky, President, Executive Director, Catholic Charities
Mr. Richard P. Rossettie, Vice President, Attorney, Rossettie, Rossettie & Martino
Mr. David M. Tang, Esq., Secretary, Attorney, Harris Beach PLLC
Ms. Jean Lindenhoverus, Treasurer
Mr. Martin Birmingham, President, Eastern Region, Five Star Bank
Mr. Barton G. Butts, CPM, President & Chief Operations Officer, EDC Management, Inc.
Mr. Evan T. Green, The Community Place of Greater Rochester, Inc.
Mr. Mark Greisberger, Attorney, Barrett Greisberger Fletcher & Magee, LLP
Sister St. Luke Hardy, SSJ, Realtor, Sheila Walah Realty
Mr. Rick Herman, Executive Vice President, Rochester Home Builders Association
Ms. Monica McCullough, Executive Director, Providence Housing Development Corp.
Ms. Lisa M. Passero, CPA, Diocese of Rochester
Mr. Lloyd Theiss, Executive Director, The Highlands at Pittsford

Continued on back page.
2008 was a year of great success and many new challenges for Providence Housing and the communities we serve. We have been thrilled to share in the joy of families and seniors seeing their new apartments at Olean Heights and St. Salome Apartments for the first time. The gratitude and relief on so many faces has been overwhelming. We have also been pleased to see the many families that have completed our First-time Home Ownership Program unaffected by the wave of foreclosures across our country due to the sound education and advisement they receive through our program.

At the same time, we have begun to feel the impact of an economy which will shape our future, and the future of our residents and clients, well beyond this year. We have also experienced the harsh blow of fear, ignorance and anger that works to marginalize members of our community. To our donors, partners, and funders – your belief in the impact that affordable housing can have to shape families, neighborhoods, and communities is needed now more than ever.

I’d like to thank the dedicated Providence Housing staff for their commitment and passion for serving the complex needs of the families and individuals we serve, in what has become an increasingly difficult environment. Everyday you work toward our shared vision to become the premier provider of quality, diverse, sustainable affordable housing opportunities throughout the Diocese of Rochester.
THANK YOU TO OUR 2008 CONTRIBUTORS

We extend our thanks to the following individuals and organizations for their generous support.

Providence Housing is a not-for-profit 501(c)(3) corporation. Donations listed here are cash and in-kind contributions received between January 1, 2007 and December 31, 2008.

DEVELOPMENT FUNDERS:
USDA Rural Development
US Department of HUD
NYS Housing Trust Fund Corp.
NYS Senator Joseph E. Robach (Jones Square)
City of Rochester
Enterprise Community Partners, Inc.
JPMorgan Chase
Town of Irondequoit
Monroe County
Federal Home Loan Bank of NY through HSBC
Federal Home Loan Bank of NY through M & T
The Richman Group Capital Corp.
Greater Rochester Housing Partnership / Rochester Equity Fund
WNC & Associates

DEVELOPMENT GRANTS:
Enterprise Community Partners, Inc.
Capacity Building Grant
United Way Martin Luther King Grant
(Northwest Apartments)

PROGRAM FUNDERS:
Catholic Charities USA
for the Home Ownership Program
HUD for the Shelter Plus Care Program
Monroe County for the Home Ownership Program
OASAS for the Shelter Plus Care Program

GRANTS:
Canandaigua National Bank and Trust
HSBC Bank USA, N.A.
M & T Charitable Foundation
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INDIVIDUALS AND CORPORATIONS:
Lisa A. Alcott
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John J. Balinsky
Mr. & Mrs. Martin Birmingham
Mary Jo Carbonaro
Joseph T. Defendis
Joe DiMino
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Tonia Graf
Mark Greisberger
Frances Haywood
Rick Herman
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Jeff Nutting
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Lisa Passero
Mr. & Mrs. Richard Rossettie
Karen Staertow
David Tang
Lloyd R. Theiss

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Atlas Construction
(Day of Caring and Wilson Days)
Howard Dickinson
Lori Foster & David Harman
Cynthia McCullough

GIVING FORWARD:
During the demolition of St. Salome Parish School, many items were donated to Flower City Habitat for Humanity.

You can help Providence Housing Strengthen Families!
Our United Way Donor Designation Number is 2388.
You are invited to contact us to learn about specific in-kind donations that are sought and what volunteer opportunities exist at 585.328.3228 ext. 1433. As a 501(c)(3) not-for-profit organization, your donations are tax deductible. You may even underwrite a project or sponsor a Shelter Plus Care client. Providence Housing, its 17 properties, Home Ownership and Shelter Plus Care programs gratefully accept your contribution in the enclosed envelope. Thank you!

Volunteers:
UNITED WAY DAY OF CARING: 71 Volunteers at Carlson Commons/Plymouth Manor:
Bausch & Lomb, Hickey Freeman Company,
Johnson & Johnson, NYS Insurance Fund
at Union Meadows:
LECESSE Construction

WILSON DAY: 22 Volunteers
University of Rochester freshmen

LOTT CAREY FOREIGN MISSION CONVENTION:
Day of Volunteer Service in the Community
30 Volunteers each day for 4 days
at Carlson Commons/Plymouth Manor

EXTREME MAKEOVER: 4 Volunteers
Several Providence Housing staff participated in ABC’s hit TV show Extreme Makeover Home Edition in Geneva, New York.

Providence Housing Salutes

Kinship Care Resource Network

WINNER of the 2008
FAMILY STRENGTHENING AWARD
Presented by
CATHOLIC CHARITIES USA

The Kinship Care Resource Network is a collaborative effort between the Catholic Family Center and four other local agencies. Their work together supports the needs of families in which a child is being raised by a relative other than the biological parent, such as a grandparent, aunt, or sibling.

Providence Housing’s Plymouth Manor, Rochester is home to 11 families where the household is headed by a grandparent and a member of the household has mental retardation/developmental disabilities or physical disabilities.

We are pleased to be in partnership with Catholic Family Center on this award-winning program.
Providence Housing 2008 Highlights:

Providence properties housed 47% more children and 37% more disabled households than in 2007.

Home Ownership Program leveraged 54% more private resources for families than in 2007.

Participants in Shelter Plus Care had 97% success rate in remaining substance free.

The number of clients who remained employed has increased 46% over the last 2 years.

Home Ownership Program

The Home Ownership Programs includes:

Monroe County Home Ownership Program - Down payment and closing costs available to those buying in the County of Monroe

Credit Restoration Program - Preparing those interested in buying a home

Section 8 to Home Ownership Program - Down payment and closing costs available to those buying a home

- 100% home retention rate since 2004.
- Total family investment was at an all time high of $189,444.
- Leveraged $3.7 million in affordable mortgages along with $205,000 in monies from various sources for 41 families in Monroe County.
- Sixty potential first-time homebuyers were assisted with credit restoration.
- Providence held 15 closings in the Section 8 to Home Ownership Program.
- Provided one-on-one counseling for 275 income-eligible families on home ownership/credit restoration.
- Providence packaged 49 family’s applications for the First Home Club for various area lenders.
- Providence served households from 13% to 80% of Monroe County's Area Median Income (AMI).

Shelter Plus Care Program

Under the Shelter Plus Care Program, Providence Housing provides rent subsidies and case management services to homeless persons in recovery and their children.

- A total of 97% of Shelter Plus Care clients remained substance free during 2008.
- 98% of clients have increased educational and/or employment skills within twelve months of entering permanent housing.
- 88% of clients remained employed.
- 16 clients engaged in a 2-4 year college program; four clients completed a degree program.

Property Management

In 2008, Providence Housing provided affordable rental housing to 1109 individuals, including 482 children, 216 seniors, and 67 persons with disabilities throughout the Diocese of Rochester.

PROPERTY GROWTH:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>227</td>
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<tr>
<td>2004</td>
<td>312</td>
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<td>2005</td>
<td>376</td>
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<tr>
<td>2006</td>
<td>497</td>
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<tr>
<td>2007</td>
<td>538</td>
</tr>
<tr>
<td>2008</td>
<td>551</td>
</tr>
</tbody>
</table>

OUR COMMUNITIES

For Seniors
- Bloomfield Meadows, Bloomfield
- Clemens Manor, Elmira
- St. Salome Apartments, Irondequoit
- Union Park, North Chili
- West Town Village, West Henrietta

For People with Disabilities
- Elizabeth Blackwell, Geneva
- McNiff Commons, Elmira
- St. Andrew’s, Gates

For Families
- Brown Street, Rochester
- Carlson Commons, Rochester
- Mt. Carmel, Rochester
- Near Westside, Rochester
- Northern Star, Rochester
- Olean Heights, Rochester
- Plymouth Manor, Rochester
- Shortsville Meadows, Shortsville
- Union Meadows, North Chili

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