

Minutes of the
Loan Committee of MassHousing
Held on
February 6, 2018

The regular meeting of the Loan Committee was held at 2:00 p.m. on Tuesday, February 6, 2018 at MassHousing's offices at One Beacon Street in Boston, Massachusetts.

In attendance were:

Members

Present: Rebecca Frawley-Wachtel, designee
Carolina Avellaneda
Sushil Tuli

Members

Not Present: Lisa Serafin

Staff:

Meaghan McCarthy
Antonio Torres
Henry Mukasa
Kathleen Evans
John W. McCormack
Tom Lyons
Beth Elliott
Chris Burns
Matt Deych
Cynthia Lacasse
Katrina Holman
Daniel Staring
Deb Morse
LaVergne Randolph
Tina Keophangga
Doug O'Brien
David Keene
Carol McIver
Anne Marie MacPherson
Zan Bross
Tom Farmer
Josiah Madar
Amy Blouin
Ricky Ochilo
Hanna Schutt
Hana Migliorato
Eric Bedstead
Cibele Goncalves
Mildred Mukasa
Nick Pepe
Rachael Weaver
Lee-Anne Brooks
Boris Collins

The meeting began at 2:00 pm.

1. Summary of the January 2, 2018 Loan Committee Meeting

The summary of the January 2, 2018 Loan Committee meeting was presented. The members approved the summary.

2. West Newton Rutland Apartments, Boston (South End) – Commitments of Tax-Exempt Construction and Permanent Loan and Tax-Exempt Equity Bridge Loan, presented by Antonio Torres:

West Newton Rutland Apartments will be a rehabilitation of 146 turn-of-the-century wood-framed attached townhouse style buildings. Inquilinos Boricuas en Accion (IBA) has presented the proposal, which would convert 126 of the 146 units to Project Based Rental Assistance through HUD's Public Housing Rental Assistance Demonstration (RAD) program. The remaining 20 units will be subsidized under a Project-Based Section 8 HAP Contract to be administered by the Boston Housing Authority (BHA). The proposal presents a transaction that includes 4% LIHTC, a MassHousing \$5,290,000 tax-exempt construction and permanent loan insured under the HUD/HFA Risk-Sharing Program, and an uninsured \$29,210,000 tax credit equity bridge loan. An allocation of approximately \$34,500,000 in tax-exempt volume capacity will be required for this transaction.

3. Olmsted Green, Boston (Mattapan), – Official Action Status, Commitment of Tax-Exempt Conduit Loan (Short and Long-Term), Commitment of Workforce Housing Funds, presented by Antonio Torres:

Lena New Boston LLC, a partnership between Lena Park Community Development Corporation and New Boston Fund, Inc., has presented a proposal for an allocation of up to \$20 million in tax-exempt loan proceeds and a \$4 million Workforce Housing loan for Olmsted Green, a to-be constructed 100-unit apartment community in the Mattapan neighborhood of Boston. This development will be the next phase of the Boston State Hospital redevelopment project that started in 2006. MassHousing's role in this transaction will be to act as the nominal lender under the Conduit Loan Program and subordinate lender under the Workforce Housing Program. The conduit loan will be made by MassHousing from bond proceeds pursuant to a private issue to Boston Private Bank and Trust, who will assume construction and permanent loan risks.

Note: Karen Kelleher recused herself from the meeting during the presentation of this transaction.

4. Weeks School Apartments, Newton – Commitment of Permanent Loan, presented by Meaghan McCarthy:

Weeks School Apartments is a 75-unit mixed-income development in Newton. Newton Community Development Foundation is seeking a permanent first mortgage loan of up to \$3,395,000 to address capital needs at the development. The existing first mortgage on the property will remain in place, and the new fully-amortizing taxable loan will be evidenced by a new mortgage note secured through an amendment to the existing first mortgage.

5. Council Tower, Boston (Roxbury) – Approval of Release of Collateral (Category One) for Purpose of Developing Housing with an Affordable Component, presented by Henry Mukasa:

The borrower is requesting MassHousing approval of a Category One Release of Collateral for Purpose of Developing Housing with an Affordable Component, as necessary for the partition and conveyance of a 62,078-square foot undeveloped portion of the Council Tower property to an affiliate, for development and construction of a 60-unit elderly affordable housing development.

6. Lincoln Village, Worcester – Extension of Taxable Bridge Loan, presented by John McCormack:

On December 30, 2014, the Agency closed on a financing package for Lincoln Village totaling \$11,550,000 consisting of a taxable HUD Rental Assistance Demonstration Program bridge loan tranche in the amount of \$7,121,878 (the “Bridge Loan”) and an IRP-decoupling tranche in the amount of \$4,428,122, both with maturity dates of March 1, 2018. The financing allowed the borrower to secure the full benefit of the tenant protections available under the HUD RAD program, resulting in the issuance of a 15-year project based voucher contract for 738 of the 1,312 units. The sponsor has now requested a 12-month extension to the Bridge Loan to allow for commitment and closing of a HUD MAP 223(f) financing through Rockport Mortgage Company. The proposed financing is not part of the Agency’s MAP/Ginnie Mae Multifamily Joint Venture Lending Initiative.

7. MassHousing Opportunity Fund Update – Workforce Housing Initiative and Section 13A

Karen Kelleher and Cynthia Lacasse, with input from staff of the Rental Business Development division, provided a report on the Workforce Housing Initiative and the Section 13A Preservation Initiative. Ms. Kelleher began the presentation with a discussion of Workforce Housing, reporting on the program’s goals and progress against those goals. She also discussed challenges facing the program, and Meaghan McCarthy contributed to presentation by discussing several Workforce Housing transactions as examples of the program. Ms. Lacasse then continued the presentation by discussing the Section 13A Preservation Initiative. She reported on the goals of the program, as well as the progress to date. Kathleen Evans then presented several 13A transactions as examples of the Initiative.

The meeting concluded at approximately 3:25 pm.

A true record.

Attest:


Beth M. Elliott, Secretary

Materials:

- Proposed Agenda
- Draft Meeting Summary for January 2, 2018
- Proposed Commitments of Tax-Exempt Construction and Permanent Loan and Tax-Exempt Equity Bridge Loan for West Newton Rutland Apartments

- Proposed Official Action Status, Commitment of Tax-Exempt Conduit Loan (Short and Long-Term), Commitment of Workforce Housing Funds
- Proposed Commitment of Permanent Loan for Weeks School Apartments
- Proposed Release of Collateral (Category One) for the Purpose of Developing Housing with an Affordable Component for Council Tower
- Proposed Extension of Taxable Bridge Loan for Lincoln Village
- Proposed MassHousing Opportunity Fund PowerPoint Update