

**Minutes of the Regular Meeting
of the Members of MassHousing
held on
February 9, 2021**

The regular meeting of the Massachusetts Housing Finance Agency – doing business as MassHousing - was held on February 9, 2021. In accordance with the Order Suspending Certain Provisions of the Open Meeting Law, GL.c.30A Section 20 issued by Governor Baker on March 12, 2020, no Members were physically present and the meetings were conducted remotely through a publicly accessible Zoom meeting.

Participating remotely were the Members (by roll call):

Members Michael Dirrane, Chair
Mark Attia, Designee of Michael Heffernan, ex officio
Carolina Avellaneda
Lisa Serafin
Ping Yin Chai
Patricia McArdle
Jerald Feldman
Jennifer Maddox, ex officio
Andris Silins

Mr. Attia and Mr. Silins (audio only) joined following the CCRI vote.

**Members
Not
Participating** None

Staff *Due to the remote convening, a list of MassHousing staff participating or observing the meeting was not available*

Guests *Due to the remote convening, a list of guests observing the meeting was not collected*

Chairman Dirrane convened the meeting to order at 2:00 p.m.

He indicated that the first order of business was the approval of the minutes of the previous meeting. Upon a motion duly made and seconded, it was, by roll call vote of all the present Members:

VOTED: That the minutes of the meeting held on January 12, 2021 are hereby approved and placed on record.

Chairman Dirrane then called for a motion to recess MassHousing’s Regular Meeting to conduct a Special Meeting for The Center for Community Recovery Innovations, Inc. (“CCRI”) Upon a motion duly made and seconded, by roll call vote of all the Members present, it was:

VOTED: To recess the MassHousing Regular Meeting and convene a special meeting of The Center for Community Recovery Innovations, Inc. (“CCRI”).

Vote Committing CCRI Funds

Edward Chase began by thanking the grant readers who participated in this round. MassHousing staff have endorsed two applications for consideration by the CCRI Board of Directors for the Marist Center for Women. The Link House, Inc. is requesting funds for two separate sites – Link House in Salisbury and Link House in Amesbury. Link House in Salisbury will replace the roof of the Marist Center for Women, a property that houses 40 women in recovery. Link House in Amesbury will replace the heating system, upgrade the sprinkler system and make other improvements to Progress House which houses 25 men in recovery. Upon a motion duly made and seconded, by roll call vote of all the Members present, it was:

VOTED: That the Center for Community Recovery Innovations, Inc. (“CCRI”), an affiliate of the Massachusetts Housing Finance Agency (the “Agency”), approve a grant in the amount of \$45,000 to Link House, Inc. for the benefit of Link House, Salisbury (aka Marist Center for Women), for the purposes described in the application, subject to the contingencies and requirements set forth in this recommendation.

FURTHER

VOTED: That CCRI approve a grant in the amount of \$27,750 to Link House, Inc. for the benefit of Link House, Amesbury (aka Progress House), for the purposes described in the application, subject to the contingencies and requirements set forth in this recommendation.

FURTHER

VOTED: That the officers of CCRI and the Agency’s Director of Community Services are hereby authorized and directed to do all acts and to execute and deliver any and all documents, certificates and other instruments necessary or desirable to effectuate the transactions contemplated by the foregoing votes.

Noting that there was no other business requiring action or discussion, Chairman Dirrane asked if there was a motion to adjourn the CCRI Special Meeting and reconvene the MassHousing Regular Meeting. Upon a motion duly made and seconded, by roll call vote of all the Members present, it was:

VOTED: To adjourn the Special Meeting of the Center for Community Recovery Innovations, Inc. (CCRI) and reconvene the MassHousing Regular Meeting

Chairman Dirrane then called upon Chrystal Kornegay, MassHousing’s Executive Director, for her monthly report to the Members.

Executive Director's Report

Ms. Kornegay began by showing a video highlighting MassHousing's Commonwealth Builder Program. The Commonwealth Builder Program is a \$60 million fund intended to spur the construction of single-family homes and condominiums that are affordable to households with moderate income, particularly in communities of color.

Ms. Kornegay went on to discuss MassHousing's Racial Justice Housing Agenda. The executive team has been working on an agenda that will be sustainable over time and will enhance what we are already doing as well as affirm the commitment we already have. The agenda is a dynamic and living document that will evolve and be expanded as needed.

Ms. Kornegay continued by stating the goals of the Racial Justice Housing Agenda are to create wealth-generating opportunities through housing for people of color in the Commonwealth of Massachusetts; increase diverse participation in the affordable housing and community development industry; foster a community of growth, learning and cohesion within MassHousing and to raise awareness of the history of racial discrimination in housing and advocate for policy change.

Ms. Kornegay explained that these goals will be reached through community empowerment – creating programs and products to support wealth empowerment through housing in communities of color, as well as business empowerment – cultivating a pipeline of diverse business owners and professionals in the affordable housing and community development industries. MassHousing supports the recruitment and professional growth of diverse talent and encourages cross-agency collaboration and innovation for the implementation of the Racial Justice Agenda.

Ms. Kornegay went on to discuss next steps which include establishing a steering committee to review and approve strategic directions, oversee major initiatives and make recommendations about resources. Also, to establish an advisory committee to evaluate the goals and strategies of the Racial Justice Agenda and make recommendations to the steering committee on the strategic directions, best practices to consider and evaluation of current strategies. And finally, to conduct a feasibility analysis of the strategies proposed from the town hall meeting and create an evaluation dashboard to monitor the goals and strategies.

Carolina Avellaneda expressed interest on being on the steering committee. Chairman Dirrane thanked Ms. Avellaneda for offering to participate and thanked Ms. Kornegay. Jerald Feldman and Ping Yin Chai also thanked Ms. Kornegay for her hard work on the Racial Justice Housing Agenda.

Finance Update

Charles Karimbakas next presented a finance update. Mr. Karimbakas began by stating the portfolio has been consistent across business lines. MI Plus payments continue to decline. There has only been one delinquency in the multi-family portfolio which has been holding up incredibly well.

Jerald Feldman asked what percentage of the portfolio was in foreclosure. Mr. Karimbakas replied next to zero. There was one short sale last month. Mr. Karimbakas attributes this to the CARES Act and to people having the ability to go into forbearance.

Mr. Karimbakas next discussed Fiscal Year 2021 2nd quarter results and explained the huge difference between the Agency's expected performance of \$57.7 million vs. the FY21 budgeted amount of (\$6.0) million: \$26 million is favorable of undisbursed grants; \$22.5 million is favorable of multifamily refinancing activity due to incredibly low interest rates and deferred loans and soft loans being paid back. (A significant amount of soft money was paid back with the Castle Square refinancing.) \$6.6 million is favorable due to increased homeownership purchase volume; \$4.0 million is favorable to administrative expenses due to retirements and purposeful hiring; \$4.0 million is favorable to MIF and \$3.0 million is unfavorable net interest margin due to lower interest rates.

Mr. Karimbakas continued to discuss the FY21 Projection vs. FY21 budget. \$4.2 million to Mortgage Insurance Fund (MIF) and \$22.7 million to the Opportunity Fund, which is better than budget. Mr. Karimbakas thanked the team of Steve, Beth, Lisa and Nancy for working very hard to get the actuals and forecasts.

Chairman Dirrane asked what the net income picture looks like. Mr. Karimbakas responded approximately \$50 million this year vs. \$35 million last year. Mr. Karimbakas attributes this increase to prepayments and significant volume in homeownership and multifamily – getting close to \$2 billion. About \$1.5 billion of that is driven by interest rate levels and is way ahead of budget.

Carolina Avellanda asked why we were so off on MIF with the unemployment numbers being what they are. She said she thought it would have been much worse. Mr. Karimbakas said he believes the CARES Act and subsequent government aid has kept the money flowing.

Ping Yin Chai asked what the balance in the Opportunity Fund is. Mr. Karimbakas replied the balance is \$275 million +/- \$10 million. About \$40 million of that is uncommitted – we have a lot of cash for loans. Mr. Chai asked how long it will take to draw down those funds. Mr. Karimbakas replied it will take about 3 to 5 years. He explained we can make a commitment but it can be 1 to 2 years before the money is drawn down.

Ms. Kornegay thanked Mr. Karimbakas and his team. She also commented that no one anticipated the markets to do as well as they are doing which has allowed us to experience this level of production.

Loan Committee

Brockton Enterprise Center Phase Two 4%, Brockton

Greg Watson presented a proposal for Official Action Status, Commitment of a Tax-Exempt Permanent Loan, Commitment of a Tax-Exempt Equity Bridge Loan, Commitment of a Workforce Housing Subordinate Loan and Approval for the Use of Low-Income Housing Tax Credits for Brockton Enterprise Center Phase Two 4% in Brockton.

Brockton Enterprise Center Phase Two is the final residential phase of the Enterprise Block redevelopment in downtown Brockton. This phase will add 111 new units of mixed income housing to the 113 units created in the first phase. Trinity Financial, Inc. (“Trinity”) will use a bifurcated financing structure, which splits the project into two separate components; one financed with 9% LIHTC (52 units) and the other financed with 4% LIHTC (59 units). These two components will be constructed simultaneously.

The 0.97 acre project site is currently used as a parking lot (operated by the Brockton Parking Authority), serving the residents of Brockton eEnterprise Center, Phase One along with commercial tenants. The site is located across the street from the MBTA’s Brockton commuter rail station, providing public access to jobs and services located within downtown Boston.

This phase will include the new construction of a five story building with 111 units. Ground-floor amenity spaces, including a large community room and fitness area, will overlook a shared outdoor plaza with gathering areas, outdoor grills, a fire-pit area and a grassy area for outdoor recreation. The Phase Two project will include 83 parking spaces in the below grade garage while Phase One includes 88 underground parking spaces. Additional parking spaces (25 for Phase One and 28 for Phase Two) will be available for lease to residents of the developments, at their expense, in the adjacent City-owned garage. Upon a motion duly made and seconded, by roll call vote, it was, by all Members present:

VOTED: To approve the findings and determinations set forth immediately following this vote and to authorize (i) the Agency to grant Official Action Status and consider the application for a loan commitment for the multifamily development known as “Brockton Enterprise Center Phase Two 4%” (the “Development”) at such time as it is submitted; (ii) this vote to serve as a declaration of official intent under Treasury Regulations Section 1.150-2 to fund all or a portion of costs paid or incurred after this date from the proceeds of a tax-exempt debt issue of the Agency if the Agency shall approve and fund the Development; (iii) that the issuance of tax-exempt debt by the Agency not be in excess of \$16,863,750 in principal amount for the Development; and (iv) that the issuance of debt occur not later than 18 months after the latest of (a) the date on which the earliest expenditure subject to Treasury Regulations Section 1.150-2 is paid, (b) the date on which the property is placed in service or abandoned, but in no event more than three years after the earliest expenditure is paid, or (c) the date otherwise permitted by the Internal Revenue Code or Treasury Regulations promulgated thereunder.

Official Action Status Findings

In accordance with the vote of the Members of MassHousing dated June 11, 1996, staff makes the following Official Action Status findings for the proposed project:

1. Trinity Financial, Inc. (the “Developer”) has acceptable multifamily housing development experience and acceptable credit history.
2. The Developer has demonstrated an arms'-length evidence of site control either by an option agreement, a purchase and sale agreement, a deed, a contract of sale for the site, and/or other legal evidence of site control, with the land price and/or ground lease rent evident.
3. The proposed site of the Development is acceptable for the intended housing.
4. There is a need for the proposed housing in the community.

VOTED: To approve the findings and determinations set forth below and to authorize (a) a permanent first mortgage loan in a principal amount of up to \$3,891,000, such first loan to be insured under the HUD HFA Risk Sharing Program; and (b) a subordinate equity bridge mortgage loan in a principal amount of up to \$9,600,000, in each case to be made to Trinity Brockton Four Phase Two Limited Partnership or another single-purpose entity controlled by Trinity Financial, Inc. (the “Borrower”) as owner of the multifamily residential development known as “Brockton Enterprise Center Phase Two 4%” (the “Development”) and located in Brockton, Massachusetts, and in accordance with the applicable general closing standards and delegations of authority previously approved, and further subject to (1) compliance with all applicable laws and all regulations and requirements of applicable financing programs, and (2) the following special conditions:

FURTHER VOTED: To approve a subordinate mortgage loan to the Borrower for the Development in an amount not to exceed \$1,200,000 (1) to be funded from that portion of the Opportunity Fund approved by the Members of MassHousing on March 8, 2016, designated and reserved for workforce housing programs and (2) subject to the terms and conditions of MassHousing’s Workforce Program Guidelines adopted by the Members on July 12, 2016, as amended, and to any applicable delegations of authority previously approved by the Members of MassHousing.

FURTHER VOTED: That the amount of 4% Credits, as set by the Executive Director, the Vice President of Multifamily Programs, the Director of Rental Business Development, the Director of Rental Underwriting, the General Counsel or

the designee of any of the foregoing, prior to loan closing, to be used in connection with the multifamily development located in Brockton, Massachusetts and known as the Development will not exceed the amount which is necessary for the financial feasibility of the Development and its viability as a qualified low-income housing project throughout the credit period, having taken into consideration:

- (a) the sources and uses of funds and the total financing planned for the Development;
- (b) any proceeds or receipts expected to be generated by reason of tax benefits;
- (c) the percentage of the tax credit amount used for Development costs other than the cost of intermediaries; and
- (d) the reasonableness of the developmental and operational costs of the Development, provided, however, that such determination shall not be construed to be a representation or warranty as to the feasibility or viability of the Development.

FURTHER VOTED:To authorize the Executive Director, the Vice President of Multifamily Programs, the Director of Rental Business Development, the General Counsel or the designee of any of the foregoing, each acting singly, to set the amount of 4% Credits to be used in connection with the Development applying the standards set forth in the immediately preceding vote.

FURTHER VOTED:To authorize the Executive Director and the Vice President of Multifamily Programs, and their respective designees, each acting singly, to permit the Borrower to enter into, or assume, mortgage loans with third parties with respect to the Development, provided that (1) any such mortgage loans shall be subordinated to MassHousing's first mortgage loan, and other MassHousing debt as determined by the Executive Director or the Vice President of Multifamily Programs, and (2) such subordinate mortgage loans shall be subject to MassHousing's requirements pertaining to subordinate mortgages, in a manner acceptable to MassHousing's General Counsel or his designee.

STATUTORY FINDINGS AND DETERMINATIONS

Statutory Findings:

The Loan(s) will be financed under the provisions of Section 5 of MassHousing's enabling act, Chapter 708 of the Acts of 1966, as amended (the "Act"). Pursuant to Section 5(g) of the Act, staff makes the following findings for the proposed Development:

1. The affordability of rents for 20% of the units:

37 units (63%) in the Development will be affordable to low-income persons and families, as specified in the Act, at the adjusted rentals shown in the rent schedule below.

2. Shortage of Affordable Housing Units in the Market Area

Note: The market needs data reflects the information available to A&M staff as of the date of collection January 11, 2020 and may not fully incorporate the potentially adverse impact(s) that the ongoing COVID-19 virus may have on the overall economy or on the local housing markets. The global outbreak of the "novel coronavirus" known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO) on March 11, 2020. Further, the reader is cautioned and reminded that any observations, comparisons, and/or conclusions are based on the data as of the aforementioned collection date.

In-house data for larger market and mixed-income complexes (appx. 766 units) in the area revealed a strong market, with increasing rental and occupancy rates over the last three years. Current occupancy rates of the 5 developments reviewed averaged appx. 98.2% and range between 96.0% and 100%.

4th Qtr. 2020 CoStar data for the subject's South Plymouth County (7,385 units) has an overall vacancy rate at 3.2% YTD, which is a decrease of 1.01% from one year ago. CoStar data for the Boston market (233,887 units) has an overall vacancy rate of 8.3% YTD, which is an increase of 2.8% from one year ago. The South Plymouth county submarket vacancy rate is projected to stay the same at 3.2% over the next five years, while the Boston market is projected to decrease to 7.2%.

CoStar, submarket data for the 4-5 Star building types (1,572 units) indicates a 4th Qtr. 2020 vacancy rate of 2.91% and an average asking rent of \$2,188, while submarket data for the subject's 3 Star building type (\$2,620 units) indicates a 4th Qtr. 2020 vacancy rate of 5.1% at an average asking rent of \$1,472. The development with its amenities, more closely reflects the 3 Star building type, and is reflected in both the vacancy rate and market rent potential.

According to the Department of Housing and Community Development's (DHCD) *Chapter 40B Subsidized Housing Inventory (9/14/17)*, the City of Brockton has 35,514-year-round housing units, 4,619 (13%) of which are subsidized for low/moderate income households.

Further, the Brockton Housing Authority (BHA) owns/operates 1,624 units of Federal public housing (323 – family and 1,303 – elderly/disabled) and 373 units of State public housing (93

family, 281 elderly/disabled and 22 congregate). Per the Brockton Housing Authority, they maintain 4,477 households on their public housing wait lists (3,027 – elderly; 2,788 – family; 5 – congregate). The Brockton Housing Authority tenant-based assistance programs (e.g. Housing Choice Vouchers) include 1,877 vouchers. Brockton participates in the Massachusetts Section 8 Housing Choice Waiting list which is currently open. Per the representative of BHA, they participate in the Section 8 Centralized Waiting list and believe there are over 100,000 applicants on that list statewide.

U.S. Census data from the 2014-2018 American Community Survey (ACS) indicates that of the 31,440 households in the City of Brockton 64.2% earned less than the HUD published 2020 AMI (\$95,000), approximately 41.1% earned less than 50% of 2020 AMI, approximately 47.2% earned less than 60% of the 2020 AMI and approximately 57.72% earned less than 80% of the 2020 AMI.

3. Inability of Private Enterprise Alone to Supply Affordable Housing

MassHousing staff has completed an analysis of the market rate rents, as defined by Agency statute, which absent MassHousing financing, would be required to support the development and operations of the Development. Based on the substantial difference between these market rents (shown in the Rent Schedule below) and the rents for this project, MassHousing staff finds that private enterprise alone cannot supply such housing.

4. No Undue Concentration of Low-income Households

The financing herein proposed does not lead to the undue concentration of low-income households.

5. Elimination or Repair of Unsafe or Unsanitary Dwelling Units

As evidenced by data cited in Finding No. 2 above, there is an acute shortage of decent, safe, and sanitary housing available to low-income persons and families in the general housing market area of the Development. Although staff is not aware of units within the same market area that require demolition or compulsory repair, by preserving the affordable housing proposed here, those in need of affordable housing will not be forced to accept residence in substandard units. So long as the acute shortage of affordable housing persists, actions of public agencies to increase the supply of affordable housing will reduce the market forces that allow unsafe and unsanitary units to persist. In addition, MassHousing, through its administration of housing programs, and other public agencies (e.g., local enforcement of building codes), continue to require repair of substandard units as such units are identified.

Rental Determinations:

Pursuant to Section 6(a) of the Act, MassHousing makes the following rental determinations for units within the proposed Development:

Rent Schedule:

Number of Bedrooms	1	2	3
Number of Units	33	23	3
Net SF/Unit	696	940	1,190
Elev./Non-Elev.	Elev.	Elev.	Elev.
Market Rate Rent (10% Rate 20 Year Term)	\$1,445	\$1,771	\$1,586
MHFA Below Market Rent (Cost-Based Rent)	\$1,101	\$1,427	\$1,242
MHFA Adjusted Rent	30% of 80% of AMI		
Underwriting Rents			
LIHTC 30% AMI	\$430	\$514	\$581
LIHTC 50% AMI	\$788	\$0	\$0
LIHTC 60% AMI	\$966	\$1,157	\$1,324
Workforce 80% AMI	\$1,225	\$1,586	\$1,820
Market Unrestricted	\$1,425	\$1,800	\$0

*Underwritten rents are net of Utility Allowances where applicable.

Based on this information, MassHousing staff finds that a significant need exists for the type of development proposed here, that private enterprise alone cannot supply such housing, and that the financing of the Development will not create or contribute to an undue concentration of low-income persons or adversely impact other housing in the area.

Brockton Enterprise Center Phase Two 9%, Brockton

Greg Watson presented a proposal for Commitment of a Taxable Permanent Loan for Brockton Enterprise Center Phase Two 9% in Brockton. Brockton Enterprise Center Phase Two is the final residential phase of the Enterprise Block redevelopment in downtown Brockton. This phase will add 111 new units of mixed income housing to the 113 units created in the first phase. Trinity Financial, Inc. (“Trinity”) will use a bifurcated financing structure, which splits the project into two separate components; one financed with 9% LIHTC (52 units) and the other financed with 4% LIHTC (59 units). These two components will be constructed simultaneously.

The 0.97 acre project site is currently used as a parking lot (operated by the Brockton Parking Authority), serving the residents of Brockton Enterprise Center, Phase One along with commercial tenants. The site is located across the street from the MBTA’s Brockton commuter rail station, providing public access to jobs and services located within downtown Boston.

This phase will include the new construction of a five-story building with 111 units. Ground-floor amenity spaces, including a large community room and fitness, area will overlook a shared outdoor plaza, with gathering areas, outdoor grills, a fire-pit area and a grassy area for outdoor recreation. The Phase Two project will include 83 parking spaces in the below grade garage while Phase One includes 88 underground parking spaces. Additional parking spaces (25 for Phase One and 28 for Phase Two) will be available for lease to residents of the developments, at their expense, in the adjacent City-owned garage. Upon a motion duly made and seconded, by roll call vote, it was, by all Members present:

VOTED: To approve the findings and determinations set forth below and to authorize a permanent first mortgage loan in a principal amount of up to \$4,372,000, such first loan to be insured under the HUD HFA Risk Sharing Program, to be made to Trinity Brockton Phase Two Limited Partnership or another single-purpose, sole-asset entity controlled by Trinity Financial, Inc. (the “Borrower”) as owner of the multifamily residential development known as “Brockton Enterprise Center Phase Two 9%” and located in Brockton, Massachusetts (the “Development”), and in accordance with the applicable general closing standards and delegations of authority previously approved, and further subject to (1) compliance with all applicable laws and all regulations and requirements of applicable financing programs, and (2) the following special conditions: None.

Third-Party Subordinate Mortgage Loans

VOTED: To authorize the Executive Director and the Vice President of Multifamily Programs, and their respective designees, each acting singly, to permit the Borrower to enter into, or assume, mortgage loans with third parties with respect to the Development, provided that (1) any such mortgage loans shall be subordinated to MassHousing’s first mortgage loan, and other MassHousing debt as determined by the Executive Director or the Vice

President of Multifamily Programs, and (2) such subordinate mortgage loans shall be subject to MassHousing's requirements pertaining to subordinate mortgages, in a manner acceptable to MassHousing's General Counsel or his designee.

STATUTORY FINDINGS AND DETERMINATIONS

Statutory Findings:

The Loan(s) will be financed under the provisions of Section 5 of MassHousing's enabling act, Chapter 708 of the Acts of 1966, as amended (the "Act"). Pursuant to Section 5(g) of the Act, staff makes the following findings for the proposed Development:

6. The affordability of rents for 20% of the units:

21 units (40%) in the Development will be affordable to low-income persons and families, as specified in the Act, at the adjusted rentals shown in the rent schedule below.

7. Shortage of Affordable Housing Units in the Market Area

Note: The market needs data reflects the information available to A&M staff as of the date of collection January 11, 2020 and may not fully incorporate the potentially adverse impact(s) that the ongoing COVID-19 virus may have on the overall economy or on the local housing markets. The global outbreak of the "novel coronavirus" known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO) on March 11, 2020. Further, the reader is cautioned and reminded that any observations, comparisons, and/or conclusions are based on the data as of the aforementioned collection date.

In-house data for larger market and mixed-income complexes (appx. 766 units) in the area revealed a strong market, with increasing rental and occupancy rates over the last three years. Current occupancy rates of the 5 developments reviewed averaged appx. 98.2% and range between 96.0% and 100%.

4th Qtr. 2020 CoStar data for the subject's South Plymouth County (7,385 units) has an overall vacancy rate at 3.2% YTD, which is a decrease of 1.01% from one year ago. CoStar data for the Boston market (233,887 units) has an overall vacancy rate of 8.3% YTD, which is an increase of 2.8% from one year ago. The South Plymouth county submarket vacancy rate is projected to stay the same at 3.2% over the next five years, while the Boston market is projected to decrease to 7.2%.

CoStar, submarket data for the 4-5 Star building types (1,572 units) indicates a 4th Qtr. 2020 vacancy rate of 2.91% and an average asking rent of \$2,188, while submarket data for the subject's 3 Star building type (\$2,620 units) indicates a 4th Qtr. 2020 vacancy rate of 5.1% at an average asking rent of \$1,472. The development with its amenities, more closely reflects the 3 Star building type, and is reflected in both the vacancy rate and market rent potential.

According to the Department of Housing and Community Development's (DHCD) *Chapter 40B Subsidized Housing Inventory (9/14/17)*, the City of Brockton has 35,514-year-round housing units, 4,619 (13%) of which are subsidized for low/moderate income households. Further, the Brockton Housing Authority (BHA) owns/operates 1,624 units of Federal public housing (323 – family and 1,303 – elderly/disabled) and 373 units of State public housing (93 family, 281 elderly/disabled and 22 congregate). Per the Brockton Housing Authority, they maintain 4,477 households on their public housing wait lists (3,027 – elderly; 2,788 – family; 5 – congregate). The Brockton Housing Authority tenant-based assistance programs (e.g. Housing Choice Vouchers) include 1,877 vouchers. Brockton participates in the Massachusetts Section 8 Housing Choice Waiting list which is currently open. Per the representative of BHA, they participate in the Section 8 Centralized Waiting list and believe there are over 100,000 applicants on that list statewide.

U.S. Census data from the 2014-2018 American Community Survey (ACS) indicates that of the 31,440 households in the City of Brockton 64.2% earned less than the HUD published 2020 AMI (\$95,000), approximately 41.1% earned less than 50% of 2020 AMI, approximately 47.2% earned less than 60% of the 2020 AMI and approximately 57.72% earned less than 80% of the 2020 AMI.

8. Inability of Private Enterprise Alone to Supply Affordable Housing

MassHousing staff has completed an analysis of the market rate rents, as defined by Agency statute, which absent MassHousing financing, would be required to support the development and operations of the Development. Based on the substantial difference between these market rents (shown in the Rent Schedule below) and the rents for this project, MassHousing staff finds that private enterprise alone cannot supply such housing.

9. No Undue Concentration of Low-income Households

The financing herein proposed does not lead to the undue concentration of low-income households.

10. Elimination or Repair of Unsafe or Unsanitary Dwelling Units

As evidenced by data cited in Finding No. 2 above, there is an acute shortage of decent, safe, and sanitary housing available to low-income persons and families in the general housing market area of the Development. Although staff is not aware of units within the same market area that require demolition or compulsory repair, by preserving the affordable housing proposed here, those in need of affordable housing will not be forced to accept residence in substandard units. So long as the acute shortage of affordable housing persists, actions of public agencies to increase the supply of affordable housing will reduce the market forces that allow unsafe and unsanitary units to persist. In addition, MassHousing, through its administration of housing programs, and other public agencies (e.g., local enforcement of building codes), continue to require repair of substandard units as such units are identified.

Rental Determinations:

Pursuant to Section 6(a) of the Act, MassHousing makes the following rental determinations for units within the proposed Development:

Rent Schedule:

Number of Bedrooms	1	2	3
Number of Units	32	19	1
Net SF/Unit	696	940	1,190
Elev./Non-Elev.	Elev.	Elev.	Elev.
Market Rate Rent (10% Rate 20 Year Term)	\$1,637	\$1,976	\$2,747
MHFA Below Market Rent (Cost-Based Rent)	\$1,191	\$1,529	\$2,300
MHFA Adjusted Rent	30% of 80% of AMI		
Underwriting Rents			
LIHTC 30% AMI	\$430	\$514	\$0
LIHTC 60% AMI	\$966	\$1,157	\$0
Market Unrestricted	\$1,425	\$1,800	\$2,300

*Underwritten rents are net of Utility Allowances where applicable.

Based on this information, MassHousing staff finds that a significant need exists for the type of development proposed here, that private enterprise alone cannot supply such housing, and that the financing of the Development will not create or contribute to an undue concentration of low-income persons or adversely impact other housing in the area.

Chestnut Glen, Abington

Greg Watson presented an Approval to Accept Assignment of a HUD-Issued Commitment for FHA-Insurance; Commitment of a First Mortgage Loan and Approval to Finance the new Loan through the Issuance of a Ginnie Mae MBS for Chestnut Glen in Abington.

The transaction will be a refinancing of Chestnut Glen, which contains 130 units in two buildings on 10.83 acres of land in Abington. The loan will provide funds to pay off the outstanding MassHousing debt, complete repairs, fully fund the replacement reserves, pay all transaction costs, and withdraw equity.

Chestnut Glen consist of two buildings on 10.83 acres of land in Abington, MA. Chestnut Glen is comprised of two (2) four-story apartment buildings constructed in 1982. The subject property contains 92 one-bedroom and 38 two-bedroom units occupied by elderly and disabled residents.

All 130 units are restricted to households earning no more than 60% AMI, with 13 of those being further restricted at 30% AMI. All 130 units are covered by a project-based Section 8 contract. Upon a motion duly made and seconded, by roll call vote, it was, by all Members present:

VOTED: To approve the findings and determinations set forth below and to authorize the Massachusetts Housing Finance Agency (“MassHousing”) (1) to accept the assignment, from Rockport Mortgage Corporation of a HUD Firm Commitment to provide mortgage insurance through the Federal Housing Administration pursuant to Section 223(f) of the National Housing Act for a first mortgage loan in the approximate amount of \$23,160,000, or such other amount as evidenced in the HUD Firm Commitment, subject to the limitation that the final amount of such loan shall not be more than \$31,266,000 nor less than \$15,054,000 to PRI Chestnut Glen, LLC (the “Borrower”) for Chestnut Glen and (2) to make the FHA-insured first mortgage loan to the Borrower in the approximate amount of \$23,160,000 (the “New Loan”), subject to the limitation that the final amount of such loan shall not be more than \$31,266,000 nor less than \$15,054,000 on terms acceptable to MassHousing, in compliance with the terms of the Prepayment Approval for MassHousing Multifamily Mortgages adopted by the Agency on October 14, 2014 and subject to MassHousing’s General Closing Conditions for loans made under MassHousing’s MAP/Ginnie Mae Multifamily Joint Venture Lending Initiative approved by the Board on November 12, 2014.

FURTHER VOTED: That the Massachusetts Housing Finance Agency, acting through its officers authorized under the Ginnie Mae resolution adopted by the Agency on May 14, 2019, is hereby authorized and directed to do all acts and things, and to execute and deliver any and all documents, certificates, securities and instruments necessary or desirable to effectuate the funding of a first mortgage loan insured by the U.S. Department of Housing and Urban Development, acting through the Federal Housing Commissioner, under Section 223(f) of the National Housing Act, to the Borrower for Chestnut Glen.

STATUTORY FINDINGS AND DETERMINATIONS

Statutory Findings:

The Loan(s) will be financed under the provisions of Section 5 of MassHousing’s enabling act, Chapter 708 of the Acts of 1966, as amended (the “Act”). Pursuant to Section 5(g) of the Act, staff makes the following findings for the proposed Development:

11. The affordability of rents for 20% of the units:

130 units (100%) in the Development will be affordable to low-income persons and families, as specified in the Act, at the adjusted rentals shown in the rent schedule below.

12. Shortage of Affordable Housing Units in the Market Area

Note: The market needs data reflects the information available to A&M staff as of the date of collection January 22, 2021, and may not fully incorporate the potentially adverse impact(s) that the ongoing COVID-19 virus may have on the overall economy or on the local housing markets. The global outbreak of the “novel coronavirus” known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO) on March 11, 2020. Further, the reader is cautioned and reminded that any observations, comparisons, and/or conclusions are based on the data as of the aforementioned collection date.

In-house data for larger market and mixed-income complexes (appx. 1,175 units) in the area revealed a strong market, with increasing rental and occupancy rates over the last three years. Current occupancy rates of the 5 developments reviewed averaged appx. 98.4%, and range between 95% and 100%. The property has operated as Section 8 and market property since 1979 and the average vacancy rate for the property for the past 5 years is .74%. My review of similar mixed income/subsidized portfolio properties (1,065 units) demonstrated a weighted average vacancy rate of approximately 1.61%

4th Qtr. 2020 CoStar data for the subject’s South Plymouth County (7,385 units) has an overall vacancy rate at 3.2% YTD, which is an decrease of 1.01 % from one year ago. CoStar data for the Boston market (233,887 units) has an overall vacancy rate of 8.3% YTD, which is an increase of 2.8% from one year ago. The South Plymouth county submarket vacancy rate is projected to stay the same at 3.2% over the next five years, while the Boston market is projected to decrease to 7.2%.

CoStar, submarket data for the 4-5 Star building type (1,572 units) indicates a 4th Qtr. 2020 vacancy rate of 2.91% and an average asking rent of \$2,188, while submarket data for the subject’s 3 Star building type (2,620 units) indicates a 4th Qtr. 2020 vacancy rate of 5.1% at an average asking rent of \$1,917 and 1-2 Star buildings (3,193 units) indicates a 4th Qtr. 2020 vacancy rate of 1.7% at an average asking rent of \$1,472. The development with its amenities, more closely reflects the 3 Star building type, and is reflected in both the vacancy rate and market rent potential. Further, the Abington Housing Authority (AHA) owns and /or operates two State funded Elderly/Disabled Public Housing developments which have 109 one bedroom rental units and 4 units are wheelchair accessible. Per the representative of AHA, the waiting list is approximately 3-6 years. They also own and/or operate two State funded three-bedroom homes and per the representative of AHA, there is at least a ten year wait for these homes. Per the representative of AHA the waiting lists are 3-5 years for non-residents, 1-3 years for residents and 6 months to 2 years for Veterans who are residents of Abington, AHA also administers 86 Section 8 Housing Vouchers. Per the AHA representative, they participate in the centralized waiting list administered through the state and wait time is over ten years.

According to the Department of Housing and Community Development's (DHCD) Chapter 40B Subsidized Housing Inventory (12/21/20), the Town of Abington has 6,364 year round housing units, 629 (9.9%) of which are subsidized for low/moderate income households.

U.S. Census data from the 2014-2018 American Community Survey (ACS) indicates that of the 6,396 households in the Town of Abington 49.9% earned less than the HUD published 2020 AMI (\$95,200), approximately 23.2% earned less than 50% of 2020 AMI, approximately 28.6% earned less than 60% of the 2020 AMI and approximately 39.6% earned less than 80% of the 2020 AMI.

13. Inability of Private Enterprise Alone to Supply Affordable Housing

MassHousing staff has completed an analysis of the market rate rents, as defined by Agency statute, which absent MassHousing financing, would be required to support the development and operations of the Development. Based on the substantial difference between these market rents (shown in the Rent Schedule below) and the rents for this project, MassHousing staff finds that private enterprise alone cannot supply such housing.

14. No Undue Concentration of Low-income Households

The financing herein proposed will change neither the current income mix of the Development nor that of its surrounding locality.

15. Elimination or Repair of Unsafe or Unsanitary Dwelling Units

As evidenced by data cited in Finding No. 2 above, there is an acute shortage of decent, safe, and sanitary housing available to low-income persons and families in the general housing market area of the Development. Although staff is not aware of units within the same market area that require demolition or compulsory repair, by preserving the affordable housing proposed here, those in need of affordable housing will not be forced to accept residence in substandard units. So long as the acute shortage of affordable housing persists, actions of public agencies to increase the supply of affordable housing will reduce the market forces that allow unsafe and unsanitary units to persist. In addition, MassHousing, through its administration of housing programs, and other public agencies (e.g., local enforcement of building codes), continue to require repair of substandard units as such units are identified.

Rental Determinations:

Pursuant to Section 6(a) of the Act, MassHousing makes the following rental determinations for units within the proposed Development:

Rent Schedule:

Number of Bedrooms	1	2
Number of Units	92	38
Net SF/Unit	631	812
Elev./Non-Elev.	Elev.	Elev.
Market Rate Rent	\$3,077	\$3,344
MHFA Below Market Rent (Cost-Based Rent)	\$1,699	\$1,966
MHFA Adjusted Rent	30% of 80% of AMI	
Underwriting Rents		
Project-Based Section 8 (Market Rents)	\$1,775	\$2,050
Project-Based Section 8 (80% AMI Rents)	\$1,387	\$1,650

Based on this information, MassHousing staff finds that a significant need exists for the type of development proposed here, that private enterprise alone cannot supply such housing, and that the financing of the Development will not create or contribute to an undue concentration of low-income persons or adversely impact other housing in the area.

Glen Grove, Wellesley

Greg Watson presented a proposal for Approval to Accept Assignment of a HUD-Issued Commitment for FHA-Insurance; Commitment of a First Mortgage Loan and Approval to Finance the new Loan through the Issuance of a Ginnie Mae MBS for Glen Grove in Wellesley.

The transaction will be a refinancing of Glen Grove, which contains 125 units in two buildings on 3.62 acres of land in Wellesley. The loan will provide funds to payoff existing debt, complete minor repairs, fully fund the replacement reserves, and withdraw equity. Glen Grove consist of 125 units in two buildings on 3.62 acres of land in Wellesley, MA. Glen Grove is comprised of two five-story buildings constructed in 1979. On-site amenities include community rooms with kitchens, two green houses, laundry rooms, and management and resident services offices.

All 125 units are restricted to households earning no more than 60% AMI and all are covered by a project-based Section 8 contract. Upon a motion duly made and seconded, by roll call vote, it was, by all Members present:

VOTED: To approve the findings and determinations set forth below and to authorize the Massachusetts Housing Finance Agency (“MassHousing”) (1) to accept the assignment, from Rockport Mortgage Corporation of a HUD Firm Commitment to provide mortgage insurance through the Federal Housing Administration pursuant to Section 223(f) of the National Housing Act for a first mortgage loan in the approximate amount of \$38,480,000, or such other amount as evidenced in the HUD Firm Commitment, subject to the limitation that the final amount of such loan shall not be more than \$51,948,000 nor less than \$25,012,000 to PRI Glen Grove, LLC (the “Borrower”) for Glen Grove and (2) to make the FHA-insured first mortgage loan to the Borrower in the approximate amount of \$38,480,000 (the “New Loan”), subject to the limitation that the final amount of such loan shall not be more than \$51,948,000 nor less than \$25,012,000 on terms acceptable to MassHousing, in compliance with the terms of the Prepayment Approval for MassHousing Multifamily Mortgages adopted by the Agency on October 14, 2014 and subject to MassHousing’s General Closing Conditions for loans made under MassHousing’s MAP/Ginnie Mae Multifamily Joint Venture Lending Initiative approved by the Board on November 12, 2014.

FURTHER VOTED: That the Massachusetts Housing Finance Agency, acting through its officers authorized under the Ginnie Mae resolution adopted by the Agency on May 14, 2019, is hereby authorized and directed to do all acts and things, and to execute and deliver any and all documents, certificates, securities and instruments necessary or desirable to effectuate the funding of a first mortgage loan insured by the U.S. Department of Housing and Urban Development, acting through the Federal Housing Commissioner, under Section 223(f) of the National Housing Act, to the Borrower for Glen Grove.

STATUTORY FINDINGS AND DETERMINATIONS

Statutory Findings:

The Loan(s) will be financed under the provisions of Section 5 of MassHousing's enabling act, Chapter 708 of the Acts of 1966, as amended (the "Act"). Pursuant to Section 5(g) of the Act, staff makes the following findings for the proposed Development:

1. The affordability of rents for 20% of the units:

125 units (100%) in the Development will be affordable to low-income persons and families, as specified in the Act, at the adjusted rentals shown in the rent schedule below.

2. Shortage of Affordable Housing Units in the Market Area

Note: The market needs data reflects the information available to A&M staff as of the date of collection January 22, 2021, and may not fully incorporate the potentially adverse impact(s) that the ongoing COVID-19 virus may have on the overall economy or on the local housing markets. The global outbreak of the "novel coronavirus" known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO) on March 11, 2020. Further, the reader is cautioned and reminded that any observations, comparisons, and/or conclusions are based on the data as of the aforementioned collection date.

In-house data for larger market and mixed-income complexes (approximately 769 units) in the area revealed a strong rental market with increasing rental and occupancy rates. Current occupancy rates of the five comparable properties reviewed averaged approximately 97.2 %, and range between 94% and 100%. The property has operated as Section 8 and market property since 1979 and the average vacancy rate for the property for the past 5 years is .49%. My review of similar mixed income/subsidized portfolio properties (1,070 units) demonstrated a weighted average vacancy rate of approximately 1.075%

4th Qtr. 2020 CoStar data for the subject's Metro West Submarket (13,046 units) has an overall vacancy rate at 9.2% YTD, which is an increase of 3.01 % from one year ago. CoStar data for the Boston market (234,462 units) has an overall vacancy rate of 8.4% YTD, which is an increase of 2.71% from one year ago. The Metro West Submarket vacancy rate is projected to decrease to 7.5% over the next five years, while the Boston market is projected to decrease to 7.0%.

CoStar, submarket data for the 4-5 Star building type (4,652 units) indicates a 4th Qtr. 2020 vacancy rate of 14.1% and an average asking rent of \$2,392, while submarket data for the subject's 3 Star building type (4,401 units) indicates a 4th Qtr. 2020 vacancy rate of 8.6% at an average asking rent of \$1,627 and 1-2 Star buildings (3,993 units) indicates a 4th Qtr. 2020 vacancy rate of 4.0% at an average asking rent of \$1,629. The development with its amenities, more closely reflects the 3 Star building type, and is reflected in both the vacancy rate and market rent potential.

Further, the Wellesley Housing Authority (WHA) owns and/or operates 4 State chapter 667 public housing developments for Elderly/Non Elderly/Disabled residents which consist of 72 studio units and 68 one bedroom units. Per the representative of WHA, Elderly/Non Elderly waiting list is 299 applicants. WHA also owns/operates 2 State funded public housing developments for Families,

which consist of 52 two-bedroom units and 48 three-bedroom units. Per the representative of WHA, the Family waiting list is as follows, two -bedroom -424 applicants and the three bedroom - 238 applicants. According to the WHA, the State chapter 667 Elderly/Non-elderly/Disabled waiting list is open on a continuous basis. The waiting list for the Family units is currently open.

WHA also has one State subsidized rental voucher and 11 Federal Section 8 rental vouchers. All WHA Section 8 rental vouchers are administered by the Dedham Housing Authority. They participate in the Massachusetts Section 8 Housing Choice Voucher Centralized Waiting List and the anticipated wait time is from 5 to 10 years.

According to the Department of Housing and Community Development's (DHCD) Chapter 40B Subsidized Housing Inventory (12/21/20), the Town of Wellesley has 9,090 year round housing units, 1,0443(11.5%) of which are subsidized for low/moderate income households.

U. S. Census data from the 2014-2018 American Community Survey (ACS) indicates that of the 8,658 households in the Town Of Wellesley, approximately 48.6% earned less than the HUD published 2020 AMI (\$119,000), approximately 17.4% earned less than 50% of 2020 AMI, approximately 21.7% earned less than 60% of the 2020 AMI and approximately 34.1% earned less than 80% of the 2020 AMI.

3. Inability of Private Enterprise Alone to Supply Affordable Housing

MassHousing staff has completed an analysis of the market rate rents, as defined by Agency statute, which absent MassHousing financing, would be required to support the development and operations of the Development. Based on the substantial difference between these market rents (shown in the Rent Schedule below) and the rents for this project, MassHousing staff finds that private enterprise alone cannot supply such housing.

4. No Undue Concentration of Low-income Households

The financing herein proposed will change neither the current income mix of the Development nor that of its surrounding locality.

5. Elimination or Repair of Unsafe or Unsanitary Dwelling Units

As evidenced by data cited in Finding No. 2 above, there is an acute shortage of decent, safe, and sanitary housing available to low-income persons and families in the general housing market area of the Development. Although staff is not aware of units within the same market area that require demolition or compulsory repair, by preserving the affordable housing proposed here, those in need of affordable housing will not be forced to accept residence in substandard units. So long as the acute shortage of affordable housing persists, actions of public agencies to increase the supply of affordable housing will reduce the market forces that allow unsafe and unsanitary units to persist. In addition, MassHousing, through its administration of housing programs, and other public agencies (e.g., local enforcement of building codes), continue to require repair of substandard units as such units are identified.

Rental Determinations:

Pursuant to Section 6(a) of the Act, MassHousing makes the following rental determinations for units within the proposed Development:

Rent Schedule:

Number of Bedrooms	1	2
Number of Units	79	46
Net SF/Unit	660	860
Elev./Non-Elev.	Elev.	Elev.
Market Rate Rent	\$4,717	\$5,181
MHFA Below Market Rent (Cost-Based Rent)	\$2,336	\$2,801
MHFA Adjusted Rent	30% of 80% of AMI	
Underwriting Rents		
Project-Based Section 8 (Market Rents)	\$2,450	\$2,950
Project-Based Section 8 (80% AMI Rents)	\$1,887	\$2,263

Based on this information, MassHousing staff finds that a significant need exists for the type of development proposed here, that private enterprise alone cannot supply such housing, and that the financing of the Development will not create or contribute to an undue concentration of low-income persons or adversely impact other housing in the area.

Noonan Glen, Winchester

Greg Watson presented a proposal for Approval to Accept Assignment of a HUD-Issued Commitment for FHA-Insurance; Commitment of a First Mortgage Loan and Approval to Finance the new Loan through the Issuance of a Ginnie Mae MBS for Noonan Glen in Winchester.

This transaction will be the refinancing of Noonan Glen, which contains 18 units in one building located on a 1.75 acre parcel of land in Winchester. The loan will provide funds to pay off existing MassHousing debt, complete repairs, fully fund replacement reserves, and withdraw equity.

Noonan Glen is an 18-unit multifamily development located in Winchester, Massachusetts. The development consists of one 2-story apartment building comprised of one- and two-bedroom units, all operating under a single project-based Section 8 contract. Upon a motion duly made and seconded, by roll call vote, it was, by all Members present:

VOTED:

To approve the findings and determinations set forth below and to authorize the Massachusetts Housing Finance Agency (“MassHousing”) (1) to accept the assignment, from Rockport Mortgage Corporation of a HUD Firm Commitment to provide mortgage insurance through the Federal Housing Administration pursuant to Section 223(f) of the National Housing Act for a first mortgage loan in the approximate amount of \$4,000,000, or such other amount as evidenced in the HUD Firm Commitment, subject to the limitation that the final amount of such loan shall not be more than \$5,400,000 nor less than \$2,600,000 to PRI Noonan Glen, LLC (the “Borrower”) for Noonan Glen and (2) to make the FHA-insured first mortgage loan to the Borrower in the approximate amount of \$4,000,000 (the “New Loan”), subject to the limitation that the final amount of such loan shall not be more than \$5,400,000 nor less than \$2,600,000 on terms acceptable to MassHousing, in compliance with the terms of the Prepayment Approval for MassHousing Multifamily Mortgages adopted by the Agency on October 14, 2014 and subject to MassHousing’s General Closing Conditions for loans made under MassHousing’s MAP/Ginnie Mae Multifamily Joint Venture Lending Initiative approved by the Board on November 12, 2014.

FURTHER VOTED: That the Massachusetts Housing Finance Agency, acting through its officers authorized under the Ginnie Mae resolution adopted by the Agency on May 14, 2019, is hereby authorized and directed to do all acts and things, and to execute and deliver any and all documents, certificates, securities and instruments necessary or desirable to effectuate the funding of a first mortgage loan insured by the U.S. Department of Housing and Urban Development, acting through the Federal Housing Commissioner, under Section 223(f) of the National Housing Act, to the Borrower for Noonan Glen.

STATUTORY FINDINGS AND DETERMINATIONS

Statutory Findings:

The Loan(s) will be financed under the provisions of Section 5 of MassHousing's enabling act, Chapter 708 of the Acts of 1966, as amended (the "Act"). Pursuant to Section 5(g) of the Act, staff makes the following findings for the proposed Development:

1. The affordability of rents for 20% of the units:

18 units (100%) in the Development will be affordable to low-income persons and families, as specified in the Act, at the adjusted rentals shown in the rent schedule below.

2. Shortage of Affordable Housing Units in the Market Area

Note: The market needs data reflects the information available to A&M staff as of the date of collection January 27, 2021, and may not fully incorporate the potentially adverse impact(s) that the ongoing COVID-19 virus may have on the overall economy or on the local housing markets. The global outbreak of the "novel coronavirus" known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO) on March 11, 2020. Further, the reader is cautioned and reminded that any observations, comparisons, and/or conclusions are based on the data as of the aforementioned collection date.

In-house data for larger market and mixed-income complexes (appx. 866 units) in the area revealed a strong market, with increasing rental and occupancy rates over the last three years. Current occupancy rates of the 5 developments reviewed averaged appx. 94%, and range between 93% and 100%. The property has operated as Section 8 and market property since 1982 and the average vacancy rate for the property for the past 5 years is .55%. My review of similar mixed income/subsidized portfolio properties (1,470 units) demonstrated a weighted average vacancy rate of approximately 1.51%

4th Qtr. 2020 CoStar data for the subject's Burlington/Woburn Submarket (6,328 units) has an overall vacancy rate at 6.3% YTD, which is an decrease of .79 % from one year ago. CoStar data for the Boston market (234,884 units) has an overall vacancy rate of 8.5% YTD, which is an increase of 2.74% from one year ago. The Burlington/Woburn Submarket vacancy rate is projected to stay at 6.3% over the next five years, while the Boston market is projected to decrease to 7.4%.

CoStar, submarket data for the 4-5 Star building type (2,384 units) indicates a 4th Qtr. 2020 vacancy rate of 8.75% and an average asking rent of \$2,231, while submarket data for the subject's 3 Star building type (2,043 units) indicates a 4th Qtr. 2020 vacancy rate of 4.4% at an average asking rent of \$2,075 and 1-2 Star buildings(901 units) indicates a 4th Qtr. 2020 vacancy rate of 3.8% at an average asking rent of \$1,682. The development with its amenities, more closely reflects the 3 Star building type, and is reflected in both the vacancy rate and market rent potential.

Further, the Winchester Housing Authority (WHA) owns and /or operates two State funded Elderly/Disabled Public Housing developments which have 112 one bedroom units.. They also

own and/or operate nine Properties of State funded family units consisting of one two bedroom units and 6 three bedroom units. Per the representative of WHA, they participate in the State waiting list called CHAMP. Lastly, WHA also administers 143 Section 8 Housing Vouchers, and per WHA representative, they participate in the centralized waiting list administered through the state and there are 111 Winchester applicants on the waiting list.

According to the Department of Housing and Community Development's (DHCD) Chapter 40B Subsidized Housing Inventory (12/21/20), the Town of Winchester has 7,920 year round housing units, 296 (3.7%) of which are subsidized for low/moderate income households.

U.S. Census data from the 2014-2018 American Community Survey (ACS) that of the 7,884 households in the Town of Winchester 50.1% earned less than the HUD published 2020 AMI (\$111,900), approximately 19% earned less than 50% of 2020 AMI, approximately 24% earned less than 60% of the 2020 AMI and approximately 36.1% earned less than 80% of the 2020 AMI.

3. Inability of Private Enterprise Alone to Supply Affordable Housing

MassHousing staff has completed an analysis of the market rate rents, as defined by Agency statute, which absent MassHousing financing, would be required to support the development and operations of the Development. Based on the substantial difference between these market rents (shown in the Rent Schedule below) and the rents for this project, MassHousing staff finds that private enterprise alone cannot supply such housing.

4. No Undue Concentration of Low-income Households

The financing herein proposed will change neither the current income mix of the Development nor that of its surrounding locality.

5. Elimination or Repair of Unsafe or Unsanitary Dwelling Units

As evidenced by data cited in Finding No. 2 above, there is an acute shortage of decent, safe, and sanitary housing available to low-income persons and families in the general housing market area of the Development. Although staff is not aware of units within the same market area that require demolition or compulsory repair, by preserving the affordable housing proposed here, those in need of affordable housing will not be forced to accept residence in substandard units. So long as the acute shortage of affordable housing persists, actions of public agencies to increase the supply of affordable housing will reduce the market forces that allow unsafe and unsanitary units to persist. In addition, MassHousing, through its administration of housing programs, and other public agencies (e.g., local enforcement of building codes), continue to require repair of substandard units as such units are identified.

Rental Determinations:

Pursuant to Section 6(a) of the Act, MassHousing makes the following rental determinations for units within the proposed Development:

Rent Schedule:

Number of Bedrooms	1	2
Number of Units	12	6
Net SF/Unit	611	778
Elev./Non-Elev.	Non-Elev.	Non-Elev.
Market Rate Rent	\$2,097	\$2,382
MHFA Below Market Rent (Cost-Based Rent)	\$1,875	\$2,160
MHFA Adjusted Rent	30% of 80% of AMI	
Underwriting Rents		
Project-Based Section 8	\$1,875	\$2,160

Based on this information, MassHousing staff finds that a significant need exists for the type of development proposed here, that private enterprise alone cannot supply such housing, and that the financing of the Development will not create or contribute to an undue concentration of low-income persons or adversely impact other housing in the area.

Norton Glen, Norton

Greg Watson presented a proposal for Approval to Accept Assignment of a HUD-Issued Commitment for FHA-Insurance; Commitment of a First Mortgage Loan and Approval to Finance the new Loan through the Issuance of a Ginnie Mae MBS for Norton Glen in Norton.

The transaction will be a refinancing of Norton Glen, which contains 150 units in 25 buildings on 31.04 acres of land in Norton, MA. The loan will provide funds to pay off its existing debt, complete minor repairs, fully fund the replacement reserves, and withdraw equity.

Norton Glen is comprised of twenty-five (25) two-story buildings constructed in 1972. The subject property contains 150 one-, two-, and three-bedroom townhouse style residential units.

All 150 units are restricted to households earning no more than 60% AMI, with 26 of those being further restricted at 30% AMI. All 150 units are covered by a project-based Section 8 contract.

Upon a motion duly made and seconded, by roll call vote, it was, by all Members present:

VOTED: To approve the findings and determinations set forth below and to authorize the Massachusetts Housing Finance Agency (“MassHousing”) (1) to accept the assignment, from Rockport Mortgage Corporation of a HUD Firm Commitment to provide mortgage insurance through the Federal Housing Administration pursuant to Section 223(f) of the National Housing Act for a first mortgage loan in the approximate amount of \$29,600,000, or such other amount as evidenced in the HUD Firm Commitment, subject to the limitation that the final amount of such loan shall not be more than \$39,960,000 nor less than \$19,240,000 to PRI Norton Glen, LLC (the “Borrower”) for Norton Glen and (2) to make the FHA-insured first mortgage loan to the Borrower in the approximate amount of \$29,600,000 (the “New Loan”), subject to the limitation that the final amount of such loan shall not be more than \$39,960,000 nor less than \$19,240,000 on terms acceptable to MassHousing, in compliance with the terms of the Prepayment Approval for MassHousing Multifamily Mortgages adopted by the Agency on October 14, 2014 and subject to MassHousing’s General Closing Conditions for loans made under MassHousing’s MAP/Ginnie Mae Multifamily Joint Venture Lending Initiative approved by the Board on November 12, 2014.

FURTHER VOTED: That the Massachusetts Housing Finance Agency, acting through its officers authorized under the Ginnie Mae resolution adopted by the Agency on May 14, 2019, is hereby authorized and directed to do all acts and things, and to execute and deliver any and all documents, certificates, securities and instruments necessary or desirable to effectuate the funding of a first mortgage loan insured by the U.S. Department of Housing and Urban Development, acting through the Federal Housing Commissioner, under Section 223(f) of the National Housing Act, to the Borrower for Norton Glen.

STATUTORY FINDINGS AND DETERMINATIONS

Statutory Findings:

The Loan(s) will be financed under the provisions of Section 5 of MassHousing's enabling act, Chapter 708 of the Acts of 1966, as amended (the "Act"). Pursuant to Section 5(g) of the Act, staff makes the following findings for the proposed Development:

1. The affordability of rents for 20% of the units:

150 units (100%) in the Development will be affordable to low-income persons and families, as specified in the Act, at the adjusted rentals shown in the rent schedule below.

2. Shortage of Affordable Housing Units in the Market Area

Note: The market needs data reflects the information available to A&M staff as of the date of collection January 26, 2021, and may not fully incorporate the potentially adverse impact(s) that the ongoing COVID-19 virus may have on the overall economy or on the local housing markets. The global outbreak of the "novel coronavirus" known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO) on March 11, 2020. Further, the reader is cautioned and reminded that any observations, comparisons, and/or conclusions are based on the data as of the aforementioned collection date.

In-house data for larger market and mixed-income complexes (appx. 599 units) in the area revealed a strong market, with increasing rental and occupancy rates over the last three years. Current occupancy rates of the 5 developments reviewed averaged appx. 98.7%, and range between 97% and 100%. The property has operated as Section 8 and market property since 1983 and the average vacancy rate for the property for the past 5 years is .806%. My review of similar mixed income/subsidized portfolio properties (1,065 units) demonstrated a weighted average vacancy rate of approximately .9%

4th Qtr. 2020 CoStar data for the subject's Outlying Bristol County Submarket (5,904 units) has an overall vacancy rate at 2.7% YTD, which is an decrease of .28 % from one year ago. CoStar data for the Providence market (53,115 units) has an overall vacancy rate of 3.2% YTD, which is an decrease of .3% from one year ago. The Outlying Bristol County submarket vacancy rate is projected to increase to 4.2% over the next five years, while the Providence market is projected to decrease to 2.9%.

CoStar, submarket data for the 4-5 Star building type (1,916 units) indicates a 4th Qtr. 2020 vacancy rate of 3.5% and an average asking rent of \$1,846, while submarket data for the subject's 3 Star building type (2,564 units) indicates a 4th Qtr. 2020 vacancy rate of 1.7% at an average asking rent of \$1,676 and 1-2 Star buildings (1,424 units) indicates a 4th Qtr. 2020 vacancy rate of 3.4% at an average asking rent of \$1,305. The development with its amenities, more closely reflects the 3 Star building type, and is reflected in both the vacancy rate and market rent potential.

Further, the Norton Housing Authority (NHA) owns and /or operates two State funded Elderly/Disabled Public Housing developments which have 130 one bedroom rental units and 4

units are wheelchair accessible. Per the representative of NHA, there are 959 applicants on the waiting list . They also own and/or operate two State funded buildings consisting of one-bedroom, two and three-bedroom homes and per the representative of NHA, there are 4,474 applicants on the family waiting lists. Per the representative of NHA, they do not administer any Section 8 Housing Choice Vouchers.

According to the Department of Housing and Community Development's (DHCD) Chapter 40B Subsidized Housing Inventory (12/21/20), the Town of Norton has 6,707 year round housing units, 596 (8.9%) of which are subsidized for low/moderate income households.

U.S. Census data for 2018 obtained from ClearGov.com indicates that of the 6,458 households in the Town of Norton 53.2% earned less than the HUD published 2020 AMI (\$111,900), approximately 22.3% earned less than 50% of 2020 AMI, approximately 27.6% earned less than 60% of the 2020 AMI and approximately 35.5% earned less than 80% of the 2020 AMI.

3. Inability of Private Enterprise Alone to Supply Affordable Housing

MassHousing staff has completed an analysis of the market rate rents, as defined by Agency statute, which absent MassHousing financing, would be required to support the development and operations of the Development. Based on the substantial difference between these market rents (shown in the Rent Schedule below) and the rents for this project, MassHousing staff finds that private enterprise alone cannot supply such housing.

4. No Undue Concentration of Low-income Households

The financing herein proposed will change neither the current income mix of the Development nor that of its surrounding locality.

5. Elimination or Repair of Unsafe or Unsanitary Dwelling Units

As evidenced by data cited in Finding No. 2 above, there is an acute shortage of decent, safe, and sanitary housing available to low-income persons and families in the general housing market area of the Development. Although staff is not aware of units within the same market area that require demolition or compulsory repair, by preserving the affordable housing proposed here, those in need of affordable housing will not be forced to accept residence in substandard units. So long as the acute shortage of affordable housing persists, actions of public agencies to increase the supply of affordable housing will reduce the market forces that allow unsafe and unsanitary units to persist. In addition, MassHousing, through its administration of housing programs, and other public agencies (e.g., local enforcement of building codes), continue to require repair of substandard units as such units are identified.

Rental Determinations:

Pursuant to Section 6(a) of the Act, MassHousing makes the following rental determinations for units within the proposed Development:

Rent Schedule:

Number of Bedrooms	1	2	3
Number of Units	15	120	15
Net SF/Unit	911	1,089	1,267
Elev./Non-Elev.	Non-Elev	Non-Elev	Non-Elev
Market Rate Rent	\$2,974	\$3,277	\$3,749
MHFA Below Market Rent (Cost-Based Rent)	\$1,629	\$1,932	\$2,404
MHFA Adjusted Rent	30% of 80% of AMI		
Underwriting Rents			
Project-Based Section 8 (Market Rents)	\$1,670	\$1,975	\$2,500
Project-Based Section 8 (80% AMI)	\$1,465	\$1,759	\$2,019

Based on this information, MassHousing staff finds that a significant need exists for the type of development proposed here, that private enterprise alone cannot supply such housing, and that the financing of the Development will not create or contribute to an undue concentration of low-income persons or adversely impact other housing in the area.


Chairman Dirrane asked if there was any other old or new business for the Members' consideration. There was none.

Chairman Dirrane asked for a motion to adjourn the meeting at 3:00 p.m. Upon a motion duly made and seconded, it was

VOTED: To adjourn the MassHousing meeting at 3:00 p.m.

A true record.

Attest.



Colin M. McNiece
Secretary