Minutes of the Meeting
of the Members of
MassHousing
and the
Center for Community Recovery Innovations, Inc.
held on
February 14, 2017

The regular meeting of the Massachusetts Housing Finance Agency – doing business as MassHousing – and a special meeting of the Center for Community Recovery Innovations, Inc. ("CCRI) were held on February 14, 2017 at MassHousing's offices located at One Beacon Street in Boston, Massachusetts. In attendance were:

Members	Ping Yin Chai, Vice Chair
	Mark Attia, Designee of Kristen Lepore
	Catherine Racer, Designee of Chrystal Kornegay
	Carolina Avellaneda
	Lisa Serafin
	Marc Cumsky
	Andy Silins
Members Not Present	Michael Dirrane
	Mary Nee
	John Rosenthal, CCRI Member
	Brian Kean, CCRI Member
Staff	Tim Sullivan
	Beth Elliott
	Frank Creedon
	Bill Dunn
	Laurie Bennett
	Henry Mukasa
	Sarah Hall
	Michael Carthas
	Maureen Burke
	David Keene
	Andrea Laing
	Anna Reppucci
	Daniel Staring
	Ed Chase
	Gail Bishop
	Kathy Connolly
	Joseph Hughes
	Paul Scola
	Joseph Mullen

Carol McIver
Belmira Fallon
Craig Merry
Stephen Vickery
Paul Hagerty
Bolade Owolewa
Casey Baines
Doug O'Brien
Tom Lyons
Charles Karimbakas
Monte Stamford
Antonio Torres
Kathleen Evans
Karen Kelleher
Sergio Ferreira
Tom Farmer
Thomas Wolf
Kevin Mello
Deb Morse
Cynthia Lacasse
Eric Gedstad
Lisa Fiandaca
Stephen Payson
Leanne McGinty
Carmen Beato
Jill Lavacchia
Nancy McDonald
Kelly Condon
Margo O'Connell
Tina Keophannga
John McCormack
Meghan McCarthy
Mildred Mukasa
Bethany Wood
Lynn Shields
Paul Mulligan
Amy Blouin
Kelly Johnson

Guests

John Keith, Keith Properties
John German, Jefferies
Colin McNiece, Mintz Levin
Brandon Wolanski, Barclays
Geoff Proulx, Morgan Stanley
Jeff Sula, RBC
Lori Hindle, PFM

Paul Ladd, Bank of America ML
Robin Ginsburg, Wells Fargo
Nick Fluehr, Wells Fargo
Dara Kovel, Beacon Communities
Michael Alperin, Beacon Communities
Pearse O'Baoill, Winn Companies
Raymond High, Citigroup

Vice-Chairman Ping Yin Chai convened the meeting to order at 2:01 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

VOTED: That the minutes of the meeting held on January 10, 2017 are hereby approved and placed on record.

Executive Director's Report

Acting Chairman Chai then called upon Timothy Sullivan, MassHousing's Executive Director, for his monthly report to the Members. Mr. Sullivan began by discussing the 2016 Annual Report which explores MassHousing's history over the past 50 years while also highlighting the Agency's accomplishments in 2016. Mr. Sullivan commented that this annual report is stylistically different and more visual than previous reports. He thanked Tom Lyons and the staff from the Communications department who worked on it.

Mr. Sullivan then discussed the Agency's continuing outreach to the Commonwealth's 26 Gateway Cities. He indicated that Gateway Cities are defined as having populations between 35,000 and 250,000, with average incomes and educational attainment rates below the state average. Mr. Sullivan described Gateway Cities as mid-sized urban centers with challenges and tremendous, unrealized potential. Mr. Sullivan thanked Tom Lyons for his work in coordinating the Gateway Cities Tours in Worcester, Everett, Malden, Brockton and Quincy, adding that visits to Springfield and Chicopee are scheduled to occur shortly, and others will follow.

Mr. Sullivan went on to explain that the goal of these tours is for the leaders of these cities to better understand how MassHousing can help them achieve their housing goals. Mr. Sullivan stated that the Agency produced 1,200 homeownership loans in Gateway Cities in 2016, and that volume continues to grow. He also noted that workforce housing programs work well in Gateway Cities. Recent Gateway City lending includes The Watson in Quincy, The Gateway in Lynn, and Pequot Highlands in Salem. Mr. Sullivan concluded by noting that Lawrence Mayor Daniel Rivera had recently thanked MassHousing for its support in assuring that the elderly residents of Essex Towers will be able to remain in their affordable apartments.

Mr. Sullivan then presented a slide showing housing production in Massachusetts over time for both single family and multifamily housing, noting that in recent years Massachusetts cities and towns have permitted less housing than at almost any point since the 1960s. Mr. Sullivan noted there is currently a 6% rental vacancy rate and a 2% vacancy rate in owner-occupied housing. He noted that there is a need for additional housing supply statewide. He added that the state's housing supply is already about 44,000 units short of demand. Mr. Sullivan added that multi-family housing represents two-thirds of the state's projected market need but production is occurring in only a few communities. He added that MassHousing's challenge is to come with new tools that will spur new production including more multi-family housing in more places throughout the Commonwealth. Mr. Sullivan pointed out that half of the multi-family units newly-produced in recent years are in just five cities and towns: Boston, Cambridge, Chelsea, Everett and Watertown. Because of this lack of production, he is recommending a $5 million commitment for Community Scale Rental Housing, defined as being between 5 and 20 units. Mr. Sullivan pointed out that over the past decade, 207 municipalities have not permitted any housing of more than 5 units. Mr. Sullivan added that an MHP review in 2010 found that 44 percent of community scale projects are in "high opportunity" areas compared to 21 percent of large projects. He explained that on a percentage basis there are twice as many family-sized units in community scale projects than large projects. He indicated that he and Chrystal Kornegay have discussed the idea of there being a separate DHCD "funding round" for community scale developments. Mr. Sullivan explained this is an opportunity to get rental production in communities that have little to no new rental housing.

Before asking for a vote for the Community Scale housing initiative, Mr. Sullivan stated that he had participated in a friendly Super Bowl Twitter "war" with Camila Knowles, the Executive Director of the Georgia Housing Finance Agency. The Executive Director had to wear the jersey of the winning quarterback… and Executive Director Knowles graciously agreed to do that.

COMMUNITY SCALE HOUSING

Referring back to Mr. Sullivan's discussion of community scale housing, a motion was duly made and seconded. Accordingly, it was:

VOTED: To authorize the Agency to invest up to $5,000,000 from the Opportunity Fund authorized by the Board on March 8, 2016, in mortgage loans made by the Affordable Housing Trust Fund ("AHTF") that meet the following criteria:

(i) the property is a rental project and the Agency has an existing first mortgage loan on the property that is not in default and for which the Agency has not taken a loan loss reserve;
(ii) no defaults exist under the AHTF loan documents;
(iii) the property has reached sustaining occupancy;
(iv) no consents of the borrower are required for purchase; and
(v) the Agency can make a reasonable determination that the principal balance of the AHTF loan will be paid at maturity; provided, however, that the Executive Director may make such changes to the foregoing criteria as he shall deem necessary and appropriate.

FURTHER VOTED: To authorize the Executive Director, Deputy Director, and General Counsel, each acting singly, to executive and deliver on behalf of the Agency such agreements to effectuate the investment described in the immediately preceding vote as the General Counsel shall advise to be necessary and appropriate.

FURTHER
VOTED: To delegate to the Executive Director and the Deputy Director, each acting singly, the authority to approve Agency actions necessary or appropriate to implement the Community Scale Housing Initiative (the "CSHI") sponsored by the Department of Housing and Community Development ("DHCD") and the Agency, on the Agency's own behalf and on behalf of DHCD (if and to the extent so authorized by DHCD), including but not limited to (a) the development of CSHI guidelines and related CSHI program documents and (b) the execution of any agreements or other documents necessary or convenient in connection therewith.

Chuck Karimbakas, Chief Financial Officer, then gave a finance update. He began by reporting upon the results of the second quarter as compared to the budget plan that the Agency Members had adopted in June of last year for the fiscal year that began on July 1, 2016. Mr. Karimbakas indicated that the Agency's financial performance, on a cash basis, was $3 million (or 9%) better than plan. He explained the impact of mark-to-market loss on Fannie Mae mortgage-backed securities, noting that those securities are held as collateral on single family bonds, and that the Agency has no intention of selling them. For context, Mr. Karimbakas presented a graph showing the 100 basis point increase in the U. S. Treasury yield curve for long terms over the past six months. He then reported that – yet again – the Agency could be seeing its largest lending year ever, with that activity contributing to significant increases in fee income. Mr. Karimbakas concluded his report by announcing that the Agency will be issuing a Request for Proposals for investment banking services, with the goal being to bring forward a recommended underwriting team to the Board at its June 13, 2017 meeting.

Upon a motion duly made and seconded, it was voted to adjourn the MassHousing Board Meeting in order to convene a special meeting of the Center for Community Recovery Innovations ("CCRI"). Acting Chairman Chai convened the CCRI meeting to order.

Ed Chase stated that the Community Services Advisory Committee had endorsed three applications for consideration by the CCRI Board of Directors: Hope House in Boston, Victory Programs in Boston, and Fr. Bill's & Mainspring in Brockton. Upon a single motion for the three funding requests, which was duly made and seconded, 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 $75,000 to Hope House, Boston, for the purposes described in the application endorsed by the Agency's Community Services Advisory Committee (the "Advisory Committee"), subject to the contingencies and requirements set forth in the Advisory Committee's recommendation.

FURTHER
VOTED: That CCRI approve a grant in the amount of $60,000 to Victory Programs, Boston, for the purposes described in the application endorsed by the Advisory Committee, subject to the contingencies and requirements set forth in the Advisory Committee's recommendation.

FURTHER VOTED: That CCRI approve a grant in the amount of $75,000 to Fr. Bill's & Mainspring, Brockton, for the purposes described in the application endorsed by the Advisory Committee, subject to the contingencies and requirements set forth in the Advisory Committee's recommendation.

FURTHER VOTED: That the officers of CCRI and the Manager of the Agency's Community Services Department 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 three foregoing votes.

Upon a motion duly made and seconded, it was voted to adjourn the CCRI Board Meeting and reconvene the MassHousing meeting.

At this point, Agency Member Attia arrived.

Stratton Hill Park - Worcester

Bill Dunn presented a request from Beacon Communities Services LLC for financing related to a 40-T preservation transaction for Stratton Hill Park in Worcester. Mr. Dunn stated that Chapter 40-T, the State's affordable housing preservation tool, was triggered when the current owner notified DHCD of their intent to sell the development. Subsequent to the notice, DHCD designated Beacon as the preservation purchaser. Mr. Dunn explained that Beacon is committed to securing long-term affordability at the property which will include multiple tiers of affordability: 78 of the 156 units will be Low-Income Housing Tax Credit (LIHTC) units at 60% of the area median income (AMI) with half of those units being supported by project-based vouchers (PBVs) under the Massachusetts Rental Voucher Program (MRVP) including a set-aside of 16 units at 30% of AMI; 50 units of Workforce Housing at 80% of AMI; and 28 units would be converting to market. He added that any rent increases would be in line with 40-T regulations.

Mr. Dunn then described the financing for the project. This will be a 4% LIHTC transaction, and the sponsor is seeking Official Action Status (OAS) from the Agency. The construction/permanent loan will be insured upon completion under the HUD/HFA Risk Sharing program at the 50/50 level. The development plan has a construction budget of approximately $9 million (approximately $60,000 per unit). Mr. Dunn also commented that there is strong state and local support for this transaction. Upon a motion duly made and seconded, it was

VOTED: (i) that the Agency grant Official Action Status and consider the application for a permanent loan commitment for the multifamily development known as "Stratton Hill Park" (the "Development") at such time as it is submitted; ii) that this vote 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 debt by the Agency not be in excess of $23,713,000 in principal amount for the Development; (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 Code or Treasury Regulation promulgated thereunder.

FURTHER VOTED: To approve the findings and determinations contained in Attachment B hereto and to authorize (a) a permanent first mortgage loan in a principal amount of up to $8,995,000 with the permanent loan to be insured under the HUD HFA Risk Sharing Program and (b) a subordinate equity bridge mortgage loan in a principal amount up to $12,561,059, in each case to be made to BC Stratton Hill LLC or another single-purpose entity controlled by Beacon Community Services LLC (the "Borrower") as owner of the multifamily residential development known as "Stratton Hill Park" (the "Development") and located in Worcester, Massachusetts and in accordance with the applicable general closing standards and delegations of authority previously approved by the Board, and further subject to (1) compliance with all applicable laws and regulations and requirements of applicable financing programs; and (2) the following special condition:

1) The Borrower shall provide evidence that: (a) it worked with Seller to seek the maximum number of enhanced Section 8 vouchers; and (b) voucher payments for all eligible units shall commence not later than 90 days after closing. If any terms of the Enhanced Vouchers vary from the underwriting assumptions, the MassHousing loan may be reduced accordingly and/or development costs, including developer fee and overhead, may be adjusted.

FURTHER VOTED: To approve a subordinate mortgage loan to the Borrower for the Development in an amount not to exceed $2,500,000 (1) to be funded from that portion of an Opportunity Fund approved by the Board on March 8, 2016, designated and reserved for workforce housing programs and (2) subject to the terms and conditions of MassHousing's Workforce Housing Program Guidelines adopted by the Board on July 12, 2016, and to any applicable delegations of authority previously approved by the Board.

FURTHER VOTED: That the amount of 4% Credits, as set by the Executive Director, the Deputy Director, the Director of Rental Lending, the Director of Rental Operations, 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 Worcester, Massachusetts and known as "Stratton Hill Park" (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 Deputy Director, the Director of Rental Lending, the Director of Rental Operations, the General Counsel or the designee of any of the foregoing to set the amount of 4% Credits to be used in connection with the Development applying the standards set forth in the immediately preceding Board vote.

FURTHER VOTED: To authorize the Executive Director or Deputy Director, and their respective designees, 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 mortgage loans, 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 her designee.

Pac 10 Lofts - Lawrence

Dan Staring presented a recommendation for rehabilitation of part of the Pacific Mills cotton complex which was originally constructed in the 1890s. This rehabilitation fills a critical need for a well-designed residential development in the Gateway City of Lawrence. Mr. Staring explained that this project will serve as an important anchor for the neighborhood and provide an opportunity to restore a significant historic resource in Lawrence which will encourage continued investment in this former industrial area.

Pac 10 Lofts will provide 170 affordable units and ten market-rate units in downtown Lawrence. The building will be developed in two phases with Pac 10 Lofts being the first phase. The apartment units will include 40 workforce housing units that are affordable to households earning less than 80% of AMI, and 112 tax-credit units at 60% of AMI including 18 units at 30% of AMI. The development is 1.5 miles from Routes 495 and 93 and a commuter rail stop is located just one mile away.

Mr. Staring stated that elected officials, business leaders and community activists are excited about the potential for this project to have a transformative effect on Essex Street, formerly Lawrence's primary downtown commercial street. He added that the addition of over 500 new residents to the immediate vicinity will catalyze economic activity throughout this area and provide a much needed mechanism to help make this revitalization self-sustaining. Upon a motion duly made and seconded, it was

VOTED: (i) that the Agency grant Official Action Status and consider the application for a permanent loan commitment for the multifamily development known as Pac 10 Lofts (the "Development") at such time as it is submitted; (ii) that this vote 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 debt by the Agency not be in excess of $22,804,946 in principal amount for the Development; (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 Code or Treasury Regulations promulgated thereunder.

FURTHER VOTED: To approve the findings and determinations contained in Attachment B hereto and to authorize (a) a permanent first mortgage loan in a principal amount of up to $14,000,000, with permanent 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 $8,804,946, in each case to be made to Taom Heritage Lawrence I, LLC or another single-purpose entity controlled by Reed Realty Advisors LLC (the "Borrower") as owner of the multifamily residential development known as "Pac 10 Lofts" (the "Development") and located in Lawrence, Massachusetts, and in accordance with the applicable general closing standards and delegations of authority previously approved by the Board, 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:

While MassHousing's general closing standard is that it shall not be obligated to fund the Permanent Loan and the Bridge Loan until the Development reaches a level of stabilized occupancy of at least ninety percent (90%) and a debt service coverage ratio of 1.10 for ninety (90) days, if necessary to meet the 50% test at the appropriate time, MassHousing may fund the Permanent Loan and the Bridge Loan once the Development has reached stabilized occupancy of at least 80% and a debt service coverage ratio of 1.10 where debt service coverage is defined as actual annualized rental revenue plus a lease up deficit escrow in an amount and subject to conditions satisfactory to MassHousing less the greater of: 1) underwritten operating expenses or 2) actual annualized operating expenses.

FURTHER VOTED: To approve a subordinate mortgage loan to the Borrower for the Development in an amount not to exceed $5,000,000 (1) to be funded from that portion of an

Opportunity Fund approved by the Board on March 8, 2016, designated and reserved for workforce housing programs and (2) subject to the terms and conditions of MassHousing's Workforce Housing Program Guidelines adopted by the Board on July 12, 2016, and to any applicable delegations of authority previously approved by the Board.

FURTHER VOTED: That the amount of 4% Credits, as set by the Executive Director, the Deputy Director, the Director of Rental Lending, the Director of Rental Operations, 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 Worcester, Massachusetts and known as "Pac 10 Lofts" (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 Deputy Director, the Director of Rental Lending, the Director of Rental Operations, the General Counsel or the designee of any of the foregoing to set the amount of 4% Credits to be used in connection with the Development applying the standards set forth in the immediately preceding Board vote.

FURTHER VOTED: To authorize the Executive Director or Deputy Director, and their respective designees, 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 mortgage loans, 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 her designee.

Canal Bluffs III - Bourne

Sarah Hall presented a recommendation for Canal Bluffs III in Bourne. She explained that the newly constructed 44-unit development is the third and final phase of a mixed-income community originally granted a Comprehensive Permit in 2006. An affiliate of Preservation of Affordable Housing (POAH), in partnership with the Housing Assistance Corporation (HAC), is seeking permanent financing upon completion of construction for this mixed-income development that will also include workforce units. Ms. Hall stated the transaction includes 9% LIHTC, a MassHousing permanent loan insured under the HUD/HFA FFB Risk-Sharing Program and a Workforce Housing subordinate loan. Upon a motion duly made and seconded, it was

VOTED: To approve the findings and determinations contained in Attachment A hereto and to authorize (a) a permanent first mortgage loan in a principal amount of up to $3,391,000, with the permanent loan to be insured under the HUD Risk Sharing program to be made to Canal Bluffs P3 Preservation Associates Limited Partnership (the "Borrower") as owner of Canal Bluffs III (the "Development"), to be made in accordance with the applicable general closing standards for loans previously approved by the Board and the general delegations of authority previously adopted by the Board; and further subject to (1) compliance with all applicable laws and regulations and requirements of applicable financing programs; and (2) the following special condition(s): None.

FURTHER VOTED: That MassHousing approves a subordinate loan to the Borrower in an amount not to exceed $700,000 (1) to be funded from that portion of the Opportunity Fund approved by the Board on March 8, 2016, designated and reserved for workforce housing programs, and (2) subject to the terms and conditions of MassHousing's Workforce Housing Guidelines adopted by the Board on July 12, 2016, and subject to any applicable delegations of authority previously approved by the Board.

FURTHER VOTED: To authorize the Executive Director or Deputy Director, and their respective designees, 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 mortgage loans, 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 her designee.

112 Rantoul Street - Beverly

Deb Morse presented a recommendation for 112 Rantoul Street in Beverly. This project is sponsored by Barnat Development LLC which is a certified women-owned business and disadvantaged business enterprise. Ms. Morse explained this 67-unit project lands on several important mission-oriented goals. The development will add 67 units of newly constructed units to the supply, including 14 units which will be affordable to households at 80% of AMI and two units will be affordable to households at 110% of AMI. In addition, the borrower has not requested any operating or capital funds from DHCD. The development will be constructed on vacant land adjacent to an MBTA garage and commuter rail station. Ms. Morse further stated this is the first project that combines MassHousing Workforce Housing Funds with the Federal Home Loan Bank of Boston's Helping to House New England program and MHIC's Healthy Neighborhood Equity Fund. It also leverages our partnership with CBRE, which assisted the developer in accessing cost effective construction and permanent financing.

Ms. Morse stated that the Federal Home Loan Bank program provides 0% financing for up to 10 years to Housing Finance Agencies (HFAs) in their pursuit of new affordable housing initiatives such as our workforce housing program. These funds will be repaid to MassHousing in Year 10. She added that MHIC's Healthy Neighborhood Equity Fund provides gap financing for transformative transit-oriented development projects that promote community, environmental and health improvements. These funds will be repaid to MHIC in Year 10. Ms. Morse added that Boston Private Bank will provide the construction and permanent first mortgage and the borrower will contribute substantial equity as well.

Ms. Morse mentioned one notable underwriting item as it relates to the necessity and purpose of MassHousing's Workforce Housing funds. She indicated that the intent of the program is to not subsidize units that would otherwise be required to be built because of a local inclusionary zoning ordinance, which in this case would be 8 units (or 12% of the total number of units.) However, in Beverly, in exchange for a fairly nominal amount, a developer can buy out this requirement which, if exercised, could have resulted in an entirely market-rate development. This, coupled with the fact that it costs more than twice the $100K/unit in foregone rent to build a workforce housing unit instead of a market rate unit, justifies the use of more than $100,000 of workforce housing funds for the 8 non-inclusionary zoning workforce housing units.

Ms. Morse further stated that given the mission-oriented nature of this deal, the opportunity to work with a new developer who is both a WBE and DBE, as well as the opportunity to partner with MHIC and FHLB, staff feels that the proposed allocation of $1.6 million of WFH funds is warranted. Upon a motion duly made and seconded, it was

VOTED: To approve the findings and determinations contained in Attachment A hereto and to authorize the following: (1) a subordinate loan to Barnat Beverly LLC (the "Borrower") for 112 Rantoul Street (the "Development") in the amount not to exceed $1,600,000 (the "Workforce Loan") to be funded from that portion of the Opportunity Fund approved by the Board on March 8, 2016, designated and reserved programs and investments related to the creation of workforce housing and subject to the terms and conditions of MassHousing's Workforce Housing Guidelines adopted by the Board on July 12, 2016; and (2) a subordinate loan to the Borrower for the Development in the amount not to exceed $600,000 (the FHLBB Loan") to be funded through the Federal Home Loan Bank of Boston Helping to House New England Fund; subject in the case of each of the Workforce Loan and the FHLBB Loan to (i) any applicable delegations of authority previously approved by the Board; (ii) compliance with all applicable laws and regulations and requirements of applicable financing programs, including those General Multifamily Loan Closing Standards (approved by the Board on July 12, 2016) deemed applicable by MassHousing to the Workforce Loan and/or the FHLBB Loan; and (iii) the following special condition(s):

1. Prior to closing and funding of the Workforce Loan and the FHLBB Loan, the Owner shall have obtained a construction/permanent loan (the "Permanent Loan") from Boston Private Bank on terms acceptable to the Director of Rental Underwriting. The Permanent Loan shall close before, or simultaneously with, the closing of the Workforce Loan and the FHLBB Loan.

2. Prior to closing and funding of the Workforce Loan and the FHLBB Loan, the Owner shall have obtained an equity commitment from the Massachusetts Housing Investment Corporation's Healthy Neighborhood Equity Fund (or an affiliate thereof) acceptable to the Director of Rental Underwriting.

3. Prior to closing and funding the Workforce Loan and the FHLBB Loan, the Borrower shall submit for review and approval all plans and specifications related to the construction of the Development.

Saint Botolph Street Apartments – Boston

Antonio Torres presented a recommendation to refinance the loan on Saint Botolph Street Apartments, a 135-unit mixed-income family development in Boston's St. Botolph Architectural Conservation District. The development is comprised of two walk-up buildings and one elevator building. The development houses 92 Section 8 project-based units and 43 market rate units.

Mr. Torres pointed out that there are currently no fully-accessible units at the development due, in part, to the age and construction of the buildings which are located in a historic district. The Borrower will submit a Resident Needs Assessment, self-evaluation and a transition plan to comply with federal accessibility requirements under the Americans with Disabilities Act (ADA) and Section 504. He stated that the Borrower will also seek further guidance or waivers from the Massachusetts Architectural Access Board (MAAB) to comply with accessibility requirements. Upon a motion duly made and seconded, it was

VOTED: To approve the findings and determinations contained in Attachment A hereto and to authorize a permanent first mortgage loan in a principal amount of up to $42,053,000, with the permanent loan to be insured under the HUD HFA Risk Sharing Program, to be made to St. Botolph Street Associates, LP or another single-purpose entity controlled by Schochet Associates, Inc. (the "Borrower") as owner of the multifamily residential development known as "Saint Botolph Street Apartments" (the "Development") and located in Boston, Massachusetts, and in accordance with the applicable general closing standards an delegations of authority previously approved by the Board, 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.

Glen Meadows Apartments - Franklin

Antonio Torres presented a recommendation for the acquisition and refinancing of Glen Meadows Apartments in Franklin. An affiliate of Schochet Associates will be purchasing the development from the current owner (an affiliate of Equity Residential) as part of a 40T preservation transaction. Constructed in 1971 with financing through the HUD Section 236 Program, the development consists of eight two-story garden building clusters providing 287 units of rental housing. Through a joint venture partnership with MassHousing, CBRE Capital Markets, Inc. ("CBRE") has arranged the first mortgage financing for the development. MassHousing will provide subordinate financing through the Opportunity Fund's Workforce Housing Program. Upon a motion duly made and seconded, it was

VOTED: To approve the findings and determinations contained in Attachment A hereto and to authorize the following: (1) a subordinate loan to Glen Meadows Partners, L.P. (the "Borrower") for Glen Meadows Apartments in Franklin, Massachusetts (the "Development") in the amount not to exceed $1,750,000 (1) to be funded from that portion of the Opportunity Fund approved by the Board on March 8, 2016, designated and reserved programs (2) subject to the terms and conditions of MassHousing's Workforce Housing Program Guidelines adopted by the Board on July 12, 2016, and to any applicable delegations of authority previously approved by the Board, and further subject to (i) compliance with all applicable laws and requirements of applicable financing programs, including those General Multifamily Loan Closing Standards (approved by the Board on July 12, 2016) deemed applicable by MassHousing to the Workforce Loan and/or the FHLBB Loan; and (iii) the following special condition(s):

1. Prior to closing and funding of the Workforce Loan, the Borrower shall have obtained a construction/permanent loan (the "Permanent Loan") from CBRE Capital Markets, Inc. on terms acceptable to the Director of Rental Underwriting. The Permanent Loan shall close before, or simultaneously with, the closing of the Workforce Loan.

Marble Street Apartments - Worcester

David Keene made a recommendation for Marble Street Apartments, a 162-unit Section 8 development located in the Main South neighborhood of Worcester. The building was originally constructed by The Barkan Companies in 1981 and includes a six-story elevator building with 150 apartments and three townhouse buildings containing 12 units. Barkan renovated all the units in 1998. All of the units are covered under a 20-year HAP contract and the owner will sign a new 20-year contract at closing. Upon a motion duly made and seconded, it was

VOTED: To approve the findings and determinations contained in Attachment A hereto and to authorize a permanent first mortgage loan to Marble Street Associates Limited Partnership, as owner of Marble Street Apartments in Worcester, in a principal amount of up to $26,528,967, to be insured under the HUD HFA Risk Sharing Program, in accordance with the applicable general closing requirements for loans previously approved by the Board and the general delegations of authority previously adopted by the Board; and further subject to: 1) compliance with all applicable laws and regulations and requirements of applicable financing programs; and 2) the following special conditions:

1. Barkan Companies will pay off the Closing Note in the amount of $890,079.
2. Barkan Companies will settle all obligations under the Section 8 Recap program, of an amount to be determined, for post-due amounts owed from 2015 and residual amounts due in accordance with the Recap program.

Chestnut Park Apartments - Springfield

David Keene then made a recommendation calling for a taxable subordinate asset protection loan and an extension of an existing asset protection loan for Chestnut Park Apartments in Springfield. Related Springfield Associates, Limited Partnership, a partnership controlled by Related/Affordable / Related Beal ("Related") is seeing a $2,526,861 asset protection loan in order to immediately address capital needs at Chestnut Park Apartments related to the developments' structured parking garage, elevators and other imminent repair needs. The funding of the loan will closely parallel Related's consolidation of the general partnership interest and the installation of its own property management company. Upon a motion duly made and seconded, it was

VOTED: That MassHousing approves the findings and determinations as contained in this Project Commitment Proposal From and approves a non-amortizing subordinate asset protection loan in a principal amount not to exceed $2,526,861 to Related Springfield Associates Limited Partnership controlled by Related Springfield L.L.C. (the "Borrower") as owner of the multifamily residential development known as Chestnut Park (the "Development") and located in the City of Springfield and in accordance with the applicable general closing standards and delegations of authority previously approved by the Board, and further subject to (1) compliance with all applicable laws and all regulations and requirements of applicable financing programs, and (2) the special conditions listed below:

FURTHER VOTED: That MassHousing approves the Borrower's request for an extension of the existing asset protection loan, dated February 4, 2011, in the amount of $200,000, to be coterminous with the new loan contained herein.

FURTHER VOTED: To authorize the Executive Director or Deputy Director, and their respective designees, 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 mortgage loans, 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 her designee.

SPECIAL CONDITIONS:

1. The Borrower shall make every effort to prepay the Section 236 loan prior to its maturity, so as to secure some level of project –based Section 8 assistance for tenants.

2. The Borrower shall submit for review and approval of MassHousing's Director of Rental Underwriting evidence of the qualifications and financial capacity of the proposed General Contractor for the development, including but not limited to evidence of capacity to provide a lien bond and payment and performance bonds in the amount of 100% of the construction contract price or a Completion Assurance Agreement, secured by a letter of credit or cash in accordance with MassHousing General Closing Requirements. Final selection of the General Contractor is subject to MassHousing's prior approval and the construction contract for the development shall contain such terms and conditions as are acceptable to MassHousing's Director of Rental Underwriting and in a form satisfactory to MassHousing's General Counsel.

3. The Borrower shall undertake a capital needs review, acceptable to the Director of Rental Management, to assess the projected needs through 2021 in order to determine the expected capital improvement budget and corresponding annual replacement reserve deposits.

4. All past due accounts payable will be identified and an estimation of projection of any short term deficits will be reviewed and approved by the Director of Rental Management in order to determine the required General Partners Operating Loan. All past due accounts payable will be made current prior to closing.

5. The Borrower shall obtain consent from the Investor Limited Partner for this loan transaction.

Lorenzo Pitts, Inc. (LPI) Portfolio
Boston – Roxbury and Dorchester

On January 10, 2017, the Board granted Official Action Status to the LPI Portfolio (MH No. 16-014), as well as an extension of the maturity date of the subordinate loans on two of the included properties until the closing of the new financing. Kathleen Evans presented requests from the current owner's developer partner, the Jamaica Plain Neighborhood Development Corp. (JPNDC), for approval of an extension of the maturity date of the subordinate loans on the remaining four properties until the closing of the new financing. The LPI Portfolio is comprised of six separate properties totaling 217 units of housing in 22 scattered site buildings. Upon a motion duly made and seconded, it was

VOTED: i) to approve the continuation of (i) an Asset Protection Note in the original principal amount of $203,008 dated as of January 6, 1995, (ii) an Arrearage Note in the original principal amount of $537,172 dated as of January 6, 1995, (iii) a 13A Repair Grant in the original principal amount of $425,800 dated as of January 9, 2006, and (iv) an Asset Protection Note in the original principal amount of $18,895 dated as of January 6, 1995 to the Agency from GCT Limited Partnership in accordance with their terms or otherwise in accordance with such terms as the Executive Director shall require.

FURTHER VOTED: i) to approve the continuation of (i) a Permanent First Mortgage in the original amount of $3,024,293 dated as of April 1, 1977, (ii) a Permanent Mortgage Increase in the original amount of $205,817 dated as of November 1, 1982, (iii) a Permanent Mortgage Increase in the original amount of $90,606 (with an outstanding balance of $4,351), dated as of November 26, 1985, (iv) an Arrearage Note in the original amount of $288,301 dated as of November 20, 1991, (vi) an Arrearage Note in the original amount of $9,089 dated as of January 2, 1992, and (viii) an Arrearage Note in the original amount of $25,755 dated as of January 1, 1992 to the Agency from Lorenzovest Holding Corporation, as succeeded by Lorenzovest Holdings LLC, in accordance with their terms or otherwise in accordance with such terms as the Executive Director.

Whitney Carriage Park

Henry Mukasa presented a request for a Level One Transfer of Ownership for Whitney Carriage Park in Leominster. Whitney Carriage Park is a 181-unit SHARP development built in 1987. The proposed New General Partner, Whitney Carriage Management, LLC is wholly-owned by Investment Management Holdings Co., Inc. Investment Management Holdings Co., Inc. has an interest in the SHARP-Massachusetts Investments Limited Partnership which owns limited partner interests in this and several other partnerships in the former MassHousing SHARP portfolio. This transfer is anticipated to be the first step in refinancing this development. Upon a motion duly made and seconded, it was

VOTED: That MassHousing approves the Level One Transfer of Ownership for the general partnership interest in Whitney Carriage Associates Limited Partnership, owner of the Whitney Carriage Park development described above from Trafalgar Capital Associates, Inc. to Whitney Carriage Management, LLC, subject to the requirements of the transfer of the Transfer of Ownership Policy approved by the Board on August 14, 2007 and further subject to any additional conditions required by the Director of Rental Management or the General Counsel.

Special Conditions:

1. Borrower will provide evidence of compliance with M.G.L. c. 40T from DHCD if necessary.
2. Maintain the current levels and term of affordability as required under the Regulatory Agreement.

Acting Chairman Chai asked if there was any other old or new business for the Members' consideration.

Hearing none, Acting Chairman Chai made a motion to adjourn the meeting at 2:49 p.m. Upon a motion duly made and seconded, it was

VOTED: To adjourn the MassHousing meeting at 2:49 p.m.

A true record.

Attest.

Beth M. Elliott
Secretary

Francis P. Creedon
Assistant Secretary