

**Minutes of the Regular Meeting of the
Members of MassHousing
held on
April 8, 2025**

The regular meeting of the Massachusetts Housing Finance Agency – doing business as MassHousing – April 8, 2025 in accordance with Section 20 of An Act Extending Certain COVID-19 Measures Adopted During the State of Emergency, 2021 Mass. Acts 20, as amended. No Members were physically present and the meetings were conducted remotely through a publicly accessible Zoom meeting.

Members:

Board Member	Present	Absent
Jeanne Pinado, Chair	X	
Carolina Avellaneda, Vice Chair		X
Edward Augustus, ex officio	X	
Bran Shim*	X	
Herby Duvern�	X	
Tom Flynn	X	
Darnell Dunn	X	
Carmen Panacopoulos	X	
Michael Glover	X	

**Designee of Secretary Matthew Gorzkowicz, ex officio*

The Chair convened the meeting to order at 2:00 p.m.

Jeanne Pinado began the meeting by introducing Darnell Dunn as a new Member of the MassHousing Board. Mr. Dunn is the Director of Business Recruitment for the Worcester Chamber of Commerce.

The Chair then indicated that the first order of business was the approval of the minutes of the February 11, 2025 meeting.

Upon a motion duly made and seconded, by roll call vote, by all Members present (Darnell Dunn abstained, Michael Glover and Bran Shim had not yet joined), it was:

VOTED: That the minutes of the Regular Meeting of the Members held on February 11, 2025 are hereby approved and placed on record.

Bran Shim and Michael Glover joined the meeting.

NCSHA Presentation

Chrystal Kornegay then introduced guest speaker Stockton Williams, Executive Director of the National Council of State Housing Agencies (“NCSHA”). Mr. Williams began his presentation by expressing his gratitude to MassHousing and “DHCD” (n/k/a EOHLC) for their statewide support and collaboration with NCSHA.

Mr. Williams introduced himself and summarized three main themes in the early start of the new federal administration that included staff reductions, funding cuts, and a populist/nationalist governing philosophy. He noted that NCSHA has been trying to help HFAs navigate the changes, and particularly the pace of change. He summarized certain opportunities that may be available in the tax bill to expand the impact of the Low-Income Housing Tax Credit and tax-exempt affordable housing bonds. Ms. Kornegay noted how central NCSHA has been in keeping the Agency informed on news and activity in Washington and there was a general discussion of the shifting policies with respect to DEI and climate change.

Tom Flynn and Ed Augustus left the meeting.

Votes to Adopt Regulations Pertaining to the Use of Commonwealth Bond Proceeds

Colin McNiece presented Votes to adopt Regulations Pertaining to the Use of Commonwealth Bond Proceeds.

Mr. McNiece gave an overview of how Commonwealth Bond Proceeds are applied and the need to adopt Regulation Governing Use of Commonwealth Bond Proceeds as Funding Source for Project Financing.

There were no questions however, Ms. Pinado commented that there was a lot of work that was put into drafting these Regulations with Mr. McNiece adding that “yes, it is very complicated”.

Upon a motion duly made and seconded, by roll call vote, it was, by all the Members (Darnell Dunn abstained) present:

VOTED: to approve the votes as presented in the Board package that is attached and incorporated into the minutes of the meeting.

Loan Committee

Newton Gardens, Newton

Michael Carthas presented a proposal for Commitment of a Workforce Housing Subordinate Loan for Newton Gardens in Newton.

Carmen Panacopoulos asked what the source of the permanent financing from HLC was going to be. Mr. Carthas responded that Winn has already applied for HLC awards.

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

VOTED: to approve the votes and findings as presented in the Board package that is attached and incorporated into the minutes of the meeting.

Ed August rejoined the meeting.

Residences at East Milton, East Milton

Chrystal Kornegay gave an overview/presentation of the Agency's Bringing Innovation to Lending and Development ("BILD") and Financing Options for Residential Growth and Expansion ("FORGE") programs.

Brian Robinson then presented a proposal for Approval of a Subordinate Loan for Residences at East Milton in East Milton.

Jeff Geller then presented a proposal for Commitment of a Subordinate Loan for Residences at East Milton in East Milton.

Edward Augustus shared his appreciation for the team who put this together so quickly and efficiently that it was able to get "up and running in no time." Carmen Panacopoulos echoed Ed's remarks. Jeanne Pinado then asked what the time frame was from commitment to closing. Mr. Geller replied that the deal was expected to close in about 2-3 months, noting that it would be much faster than a tax credit deal.

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

VOTED: to approve the votes and findings as presented in the Board package that is attached and incorporated into the minutes of the meeting.

Independence Manor II, Braintree

Jeffrey Geller presented a proposal for Approval to Accept Assignment of a HUD-Issued Firm Commitment Letter for FHA Insurance, Commitment of a First Mortgage Loan and Approval to Finance the First Mortgage Loan through the Issuance of a Ginnie Mae MBS for Independence Manor II in Braintree.

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

VOTED: to approve the votes and findings as presented in the Board package that is attached and incorporated into the minutes of the meeting.

St. Botolph Apartments, Boston (Back Bay)

Amanda Melick presented a proposal for Re-Commitment of a Taxable Construction and Permanent Loan for St. Botolph Apartments in Boston (Back Bay).

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

VOTED: to approve the votes and findings as presented in the Board package that is attached and incorporated into the minutes of the meeting.

The Chair then asked if there was any other old or new business for the Members' consideration.

There was none.

There being no other business to consider, the meeting adjourned at 3:04 p.m.

A true record.

Attest.



Colin M. McNiece
Secretary

Materials:

- Board Package, April 8, 2025



Massachusetts Housing Finance Agency
One Beacon Street Boston, MA 02108

Tel: 617-854-1000 Relay 711
Fax: 617-854-1091 www.masshousing.com

Posted: April 3, 2025 @ 1:55 p.m.
Secretary of the Commonwealth, Regulations Division
Executive Office for Administration & Finance
masshousing.com

NOTICE
of a Meeting of the Members

The regular meeting of MassHousing will be held:

Date: **Tuesday, April 8, 2025**

Time: **2:00 p.m.**

Location: **See below**

In accordance with Section 20 of An Act Extending Certain COVID-19 Measures Adopted During the State of Emergency, 2021 Mass. Acts 20, as amended, this Meeting will not be conducted in a publicly accessible physical location. This meeting will instead be conducted through remote audio and video participation by the Members of MassHousing.

The public will be able to observe the Meeting online through the Zoom video/audio conference program.

The Zoom meeting link for this Meeting is: <https://masshousing.zoom.us/j/85242517724>
The Zoom meeting ID is: Meeting ID: 852 4251 7724
The Zoom Passcode is: 355273

Additional instructions for observing the meeting through Zoom are attached to this Notice.

Attention will be given to the following matters:

1. EXECUTIVE ACTIONS

- A. Call to Order
- B. Vote Approving the Minutes
 - Regular Meeting of February 11, 2025
- C. NCSHA Presentation
- D. Vote to Adopt Regulations Pertaining to the Use of Commonwealth Bond Proceeds

2. LOAN COMMITTEE

- A. Newton Gardens, Newton
 - Commitment of a Workforce Housing Loan
- B. Residences at East Milton, Milton
 - Commitment of a Subordinate Loan
 - Approval of Momentum Equity Investment
- C. Independence Manor 2, Braintree
 - Approval to Accept Assignment of a HUD-Issued Firm Commitment Letter for FHA Insurance
 - Commitment of a First Mortgage Loan (the “New Loan”)
 - Approval to Finance the New Loan through the Issuance of a Ginnie Mae MBS
- D. St. Botolph Apartments, Boston (Back Bay)
 - Re-Commitment of a Taxable Construction and Permanent Loan

Meeting Notices

In accordance with Section 20 of An Act Extending Certain COVID-19 Measures Adopted During the State of Emergency, 2021 Mass. Acts 20, as amended, this Meeting will not be conducted in a publicly accessible physical location. This meeting will instead be conducted through remote audio and video participation by the Members of MassHousing, and public observation will be available only through the Zoom audio/video conferencing program using the link and Meeting ID provided above. Instructions for joining the meeting through Zoom are attached.

Accessibility

If you need an accommodation to participate in a MassHousing meeting, event, or program, please call 617-854-1000 or email webinfo@masshousing.com. Please request accommodations as soon as possible but no later than 48 hours before a scheduled event so that we can have adequate time to accommodate your needs. [Click here to view our Accessibility statement.](#)

Steps to Join a Zoom Meeting

1. A Zoom meeting link will look like the following:

Join Zoom Meeting

<https://zoom.us/j/6881564212>

Meeting ID: 688 156 4212

One tap mobile

+13126266799,,6881564212# US (Chicago)

+16465588656,,6881564212# US (New York)

Dial by your location

+1 312 626 6799 US (Chicago)

+1 646 558 8656 US (New York)

+1 253 215 8782 US

+1 301 715 8592 US

+1 346 248 7799 US (Houston)

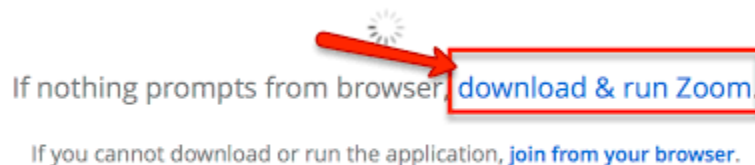
+1 669 900 9128 US (San Jose)

Meeting ID: 688 156 4212

Find your local number: <https://zoom.us/u/acgfl1ziEv>

2. Click the link below 'Join Zoom Meeting'.

NOTE: Simply calling a phone number without "joining the Zoom meeting" will not allow you to see the presentation. Clicking on the link will automatically download the Zoom program (Image below)



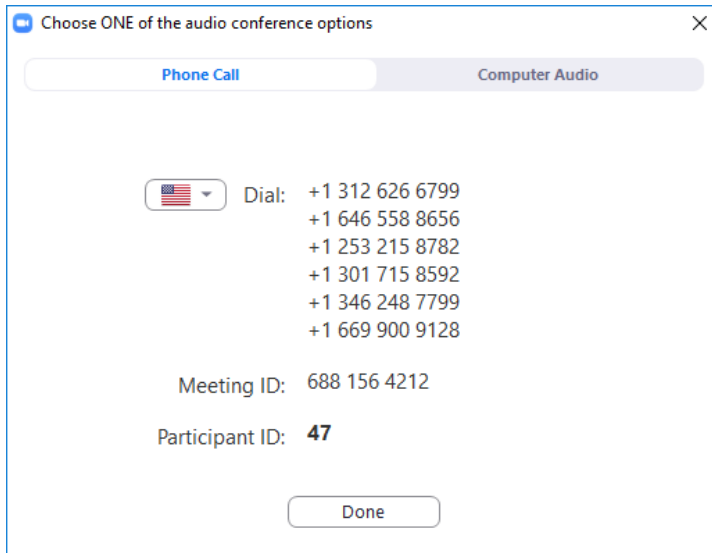
3. If Zoom does NOT automatically download and install. Click Download & run Zoom

NOTE: to see a video about this: <https://youtu.be/vFhAEoCF7jg>

Steps to Join a Zoom Meeting

4. You will be provided with Audio Options.

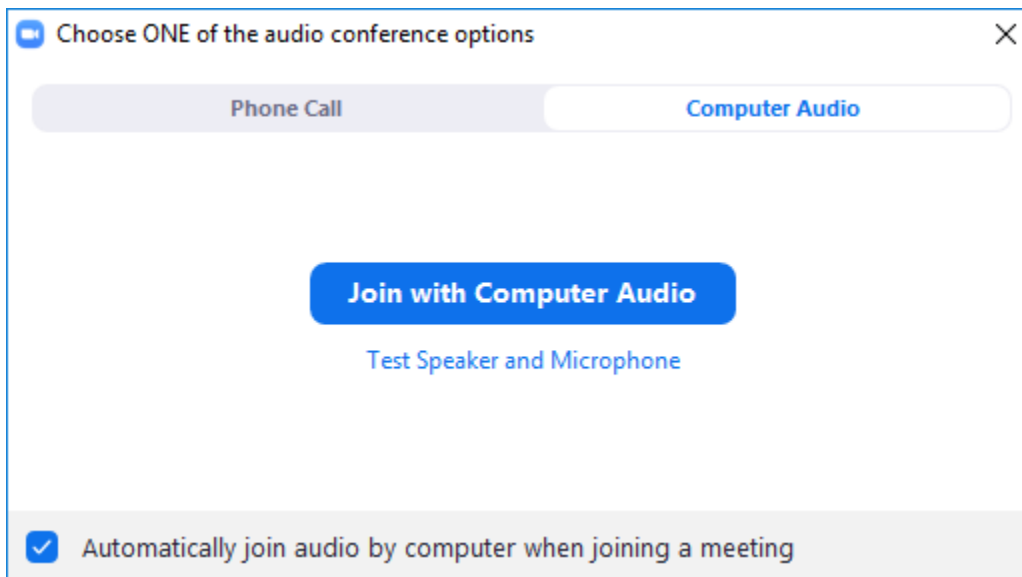
NOTE: The numbers for your meeting may be different than the ones in this example.



The screenshot shows a Zoom dialog box titled "Choose ONE of the audio conference options". It has two tabs: "Phone Call" (selected) and "Computer Audio". Under the "Phone Call" tab, there is a dropdown menu showing the United States flag, followed by a list of phone numbers: +1 312 626 6799, +1 646 558 8656, +1 253 215 8782, +1 301 715 8592, +1 346 248 7799, and +1 669 900 9128. Below the numbers, the "Meeting ID: 688 156 4212" and "Participant ID: 47" are displayed. At the bottom, there is a "Done" button.

5. Call one of the numbers provided and enter your Meeting ID and Participant ID when prompted.
6. If you have a headset or would like to use your computer audio, select the Computer Audio tab and Join with Computer Audio.

NOTE: Uncheck "Automatically join audio by computer" when joining a meeting.



The screenshot shows the same Zoom dialog box, but now the "Computer Audio" tab is selected. The "Phone Call" tab is greyed out. In the center, there is a large blue button that says "Join with Computer Audio". Below it, there is a link that says "Test Speaker and Microphone". At the bottom, there is a checkbox that is checked, with the text "Automatically join audio by computer when joining a meeting".

7. All participants on the call will be muted. Please keep yourself on mute so that meeting can be as clear as possible.

**Minutes of the Regular Meeting of the
Members of MassHousing and the Center
for Community Recovery Innovation, Inc.
held on
February 11, 2025**

The regular meeting of the Massachusetts Housing Finance Agency – doing business as MassHousing – February 11, 2025 in accordance with Section 20 of An Act Extending Certain COVID-19 Measures Adopted During the State of Emergency, 2021 Mass. Acts 20, as amended. No Members were physically present and the meetings were conducted remotely through a publicly accessible Zoom meeting.

Members:

Board Member	Present	Absent
Jeanne Pinado, Chair	x	
Carolina Avellaneda, Vice Chair	x	
Edward Augustus, ex officio	x	
Bran Shim*	x	
Herby Duvern�	x	
Tom Flynn	x	
Patricia McArdle	x	
Carmen Panacopoulos	x	
Michael Glover	x	

**Designee of Secretary Matthew Gorzkowicz, ex officio*

The Chair convened the meeting to order at 2:00 p.m.

The Chair indicated that the first order of business was the approval of the minutes of the January 14, 2025 meeting.

Upon a motion duly made and seconded, by roll call vote, by all Members present (Ms. Avellaneda was unavailable due to technical issues, Mr. Flynn abstained), it was:

VOTED: That the minutes of the Regular Meeting of the Members held on January 14, 2025 are hereby approved and placed on record.

Chief Executive Officer’s Report

Chrystal Kornegay began her report by discussing the changes under the new federal administration. She summarized the Agency’s engagement with federal funds through its PBCA contract with HUD, the capital magnet funds awarded through Treasury’s CDFI, and the various ARPA funds received in prior years. As of February 10th, there have been over 60 Executive Orders issued by the new administration. After highlighting several of the potentially impactful orders, she noted that there is considerable uncertainty over the extent to which the order may impact the Agency and its operations. Staff is monitoring various potential exposure points and navigating the quick pace of change by

tracking orders and actions, participating in various industry groups, reviewing existing programs for compliance, and coordinating communications.

Ms. Panacoupoulos thanked Ms. Kornegay for keeping the Board informed and communicating with staff and asked if there were any potential shocks to the budget? Ms. Kornegay noted that Rachel Madden would be presenting mid-year financial results later in the meeting and we will be taking the federal environment into account as we build next year's budget over the coming months. She noted that there is nothing specifically hitting the budget at the moment and that it is most likely that if something is troublesome for the Agency it will be because it is generally troublesome, such as federal staffing cuts impacting a deal's ability to close with HUD. Ms. Avellaneda asked about the criteria for when and on what topics to engage with staff. Ms. Kornegay answered that over-engagement can create a certain amount of anxiety and be counterproductive, but that leadership is trying to stay attuned to appropriate communications. She noted that, having gone through Covid, the Agency built a muscle for working in an environment of "shifting sands." The members discussed several federal actions in other sectors and what implications they might have on the Agency. Chair Pinado then suggested that she would convene an ad-hoc committee to provide advice and guidance to the Executive leadership.

Volume Cap Overview

Mark Teden presented an overview of tax-exempt bond cap for multifamily housing, describing the concept of private activity bond volume cap, its allocation, and its application to housing. He noted the high demand and scarcity of available volume cap and its subsequent impacts on the multifamily pipeline.

Vote Regarding Modification of Personal Leave

Colin McNiece presented a recommendation to modify the Agency's leave policy regarding Personal Days. Under current delegated authorities, changes in Agency leave policies (other than those changes required by applicable law) are required to be submitted to the Members for approval.

In connection with an update of the Agency's Employee Handbook, executive management is recommending a change to the schedule on which Personal Leave time is awarded.

Currently, in an employee's first year of employment, the number of Personal Days awarded depends on an employee's date of hire, as outlined in the table below. Staff is recommending that all employees, regardless of start date, receive five personal days on their start date.

Current Award		Proposed Award
Hire Date	Personal Leave	5 days as of date of hire
Jan 1 – Mar 31	5 days	
Apr 1 – Jun 30	4 days	
Jul 1 – Sep 30	3 days	
Oct 1 – Dec 31	2 days	

All other characteristics of personal leave would remain the same – personal days must be used within the calendar year and cannot be carried over from year to year, unused personal days are not paid out upon separation, and each employee would be credited with five new personal days each January 1.

This change will demonstrate the Agency’s commitment to supporting employees’ work-life balance, facilitate Human Resources’ management of employee leave time, and simplify the employee handbook.

Upon a motion duly made and seconded, by roll call vote, it was, by all the Members present (Tom Flynn was unavailable):

VOTED: to approve the modification of the Agency’s leave policy regarding the award of personal days as presented herein.

Fiscal Year 2025 Mid-Year Results

Rachel Madden presented the Agency’s FY25 Mid-Year Results.

Votes Delegating Authority to Issue Multifamily Bonds and/or Notes

Rachel Madden presented a resolution authorizing the issuance of multifamily bonds and notes. She noted the maximum authorized amount is \$800 million with a mix of fixed rate and/or hedged or unhedged variable rate debt and attached report and analysis from cfX Incorporated, one of the Agency’s financial advisors, with respect to any potential derivative contracts associated with Agency financings.

Upon a motion duly made and seconded, by roll call vote, it was, by all the Members present (Mr. Flynn was unavailable):

VOTED: to approve the votes as presented in the Board package that is attached and incorporated into the minutes of the meeting.

Votes Delegating Authority to Issue Single Family Bonds and/or Notes

Rachel Madden presented a resolution authorizing the issuance of single family bonds and notes. She noted the maximum authorized amount is \$600 million with a mix of fixed rate and/or hedged or unhedged variable rate debt and the attached report and analysis from cfX Incorporated, one of the Agency’s financial advisors, with respect to any potential derivative contracts associated with Agency financings.

Upon a motion duly made and seconded, by roll call vote, it was, by all the Members present (Mr. Flynn was unavailable):

VOTED: to approve the votes as presented in the Board package that is attached and incorporated into the minutes of the meeting.

The Chair then asked if there was any other old or new business for the Members' consideration.

There being no other business to consider, the MassHousing meeting adjourned at 2:59 p.m.

Center for Community Recovery Innovations, Inc. ("CCRI")

Chair Pinado called the Center for Community Recovery Innovations, Inc. ("CCRI"), meeting to order. Nichole Mikshenas presented recommendations and votes for FY2025 Round 2.

Ms. Mikshenas summarized the round two applications, noting that 4 complete applications were received for a total of \$185,000 in requested funds. She explained the review process and summarized CCRI's past experience and history with each applicant. Ms. Mikshenas made recommendations for CCRI funds for the following organizations:

EMH Recovery, Brockton

Requests funding to expand counseling and supportive services to women residing in EMH managed sober homes.

Recommendation: \$20,000 Commitment expires September 30, 2026.

Housing Support Inc., Amesbury

Requests funding to provide enhanced support services at Bartlett House.

Recommendation: \$35,000 Commitment expires September 30, 2026

NeighborWorks Housing Solutions, Hanson

Requests funding for critical repairs necessary to preserve 8 units of Section 8 affordable sober housing in Hanson.

Recommendation: \$100,000 Commitment expires September 30, 2026.

Recovered Souls Foundation, Quincy

Requests funding to support access to LADC Assistant Counselor education and licensing for individuals in recovery interested in working in the recovery field.

Recommendation: \$30,000 Commitment expires September 30, 2026.

Upon a motion duly made and seconded, by roll call vote, by all the members present (Ed Augustus was unavailable), 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 \$20,000.00 to EMH Recovery, Brockton, 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 \$35,000.00 to Housing Support Inc., Amesbury, 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 \$100,000.00 to NeighborWorks Housing Solutions, Hanson, 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 \$30,000.00 to Recovered Souls Foundation, Quincy, for the purposes described in the application, subject to the contingencies and requirements set forth in this recommendation.

Noting that there was no other business requiring action or discussion, Chair Pinado adjourned the CCRI meeting at 3:10 p.m.

A true record.

Attest.

Colin M. McNiece
Secretary

Materials:

- Board Package, February 11, 2025

MEMORANDUM

TO: MassHousing Members

FROM: Colin McNiece, Chief Legal and Operating Officer

SUBJECT: Application of Commonwealth Bond Proceeds

DATE: April 8, 2025

Among many things in the enactment of the Affordable Homes Act in 2024, the Commonwealth authorized \$50 million for the Momentum Fund. As the Commonwealth makes its Capital Investment Plans, it may decide to fund such authorization, and others, with proceeds from the sale of its own bonds. However, Commonwealth Bond proceeds are subject to certain unique state constitutional requirements that necessitate controls be in place to ensure their application to appropriate public purposes. MassHousing's enabling act includes similar controls and its multifamily lending requirements and practices add additional measures.

To document and record the application of such controls for the use of Commonwealth Bond Proceeds, staff, in consultation with the administration and bond counsel, developed the attached regulations. These regulations would apply in any multifamily financing owned by a private sponsor, in which Commonwealth bond proceeds are expected to be a part, such as the anticipated BILD project financing that will include Momentum Fund moneys. The regulations map the Agency's Enabling Act and multifamily lending standards to controls supported by standing caselaw decided by the Massachusetts Supreme Judicial Court¹ and require staff certification that any proposed transaction meets the conditions set forth in the regulations.

Accordingly, staff recommends the following vote:

VOTED: To adopt the MassHousing Regulation Governing Use of Commonwealth Bond Proceeds as Funding Source for Project Financing, attached hereto.

¹ Opinion of the Justices to the Governor, 373 Mass. 904 (1977).

MassHousing Regulation Governing Use of Commonwealth Bond Proceeds as Funding Source for Project Financings

A. Purpose

This regulation implements requirements for MassHousing’s permissible use of Commonwealth bond proceeds to provide multifamily project financing in the form of equity, debt, or any form of credit enhancement or loan guarantee to any project that is owned in whole or part by private sponsors. The regulation establishes financial controls and reporting provisions to ensure that Commonwealth bond proceeds are employed only to secure a public benefit and for a public purpose, consistent with state constitutional requirements.

A grant of cash subsidy does not constitute “project financing” for the purposes of this regulation, and such grants therefore are not required to be administered under the provisions of this regulation. Project financing in any form that is provided to an entity that is owned and controlled entirely by an agency or entity of federal, state, county, or municipal government is also exempt from the requirements of the regulation.

B. Required Conditions and Findings

Before MassHousing may use Commonwealth bond proceeds to provide project financing to a multifamily project that is owned in whole or part by one or more private sponsor(s), the Agency must document compliance with the constitutionally required conditions and findings for the use of Commonwealth bond proceeds enumerated in Section D below.

These required conditions and findings are consistent with the statutory requirements that independently govern MassHousing’s issuance of mortgage loans to owners and sponsors of multifamily rental housing projects pursuant to Sections 4 through 6 of the MassHousing Enabling Act (Chapter 708 of the Acts of 1966, as amended). For each constitutionally required condition or finding itemized below, the regulation identifies the relevant, corresponding statutory controls and implementing MassHousing regulations and loan agreement provisions that may apply. In each case, one or more of the statutory controls and implementing MassHousing regulations and loan agreements may apply to satisfy the statutory condition or finding, but it is not necessary that all noted controls and regulations and provisions apply in all cases.

Those MassHousing regulations and loan agreement provisions are generally implemented through application of MassHousing’s MultiFamily Loan Standards, which have been adopted as “rules and regulations respecting the grant of mortgage loans. . . [and] the regulation of borrowers” pursuant to subsection (p) of Section 4 of the Enabling Act. The Standards also impose loan closing requirements, which articulate MassHousing’s determination pursuant to subsection (a) of Section 4 of “terms necessary to assure payment of such loans and the interest thereon as the same become due.”

Because of the close agreement between MassHousing statutory requirements for mortgage loans and the constitutional requirements that govern the use of Commonwealth bond proceeds to support privately-owned undertakings, a project that receives Board approval (or delegated approval) and otherwise meets all applicable conditions and findings required for issuance of a

MassHousing mortgage loan pursuant to Sections 4 through 6 of the Enabling Act and the MultiFamily Loan Standards, as they may be modified, will be qualified to receive project financing sourced from Commonwealth bond proceeds. Accordingly, a project financed in part by a MassHousing mortgage can establish compliance with constitutional requirements for financing sourced from Commonwealth bond proceeds by cross-referencing the MassHousing mortgage controls itemized in Section D as required conditions of any project financing sourced from Commonwealth bond proceeds.

C. Required Certification/Compliance Addendum

Any proposal to use Commonwealth bond proceeds to provide any form of project financing must be approved in writing by (1) the Chief Executive Officer or the Vice-President of Multifamily Programs; and (2) The General Counsel or Deputy General Counsel. The written approval must be in the form of the Compliance Addendum attached as Exhibit 1 and must include certification that the project financing satisfies the applicable conditions and findings required by this Regulation.

Section D. Public Use and Public Control Requirements for Project Financings Using Commonwealth Bond Funds	
Required Condition or Finding for Use of Commonwealth Bond Funds	Corresponding MassHousing Enabling Act Provisions and Implementing Mortgage Loan Controls
The project is within the scope of the MassHousing Enabling Act and may reasonably be expected to contribute to the development of the surrounding areas and to the economic development of the Commonwealth or to alleviate the shortage of safe, decent, and sanitary housing available to persons of low or moderate income	<p><u>Section 5(a)</u>: Required finding that project will supply or have promise of supplying well-planned, well-designed apartment units which are providing or will provide housing for low- and moderate-income persons or families in a need for such housing.</p> <p><u>Section 5(g)</u>: Required findings that 20% of rental units meet affordability requirements; and there exists or would exist but for the project a shortage of decent, safe, and sanitary housing at affordable rents in the market area to be served by the project.</p>
Project plans conform to all applicable environmental, zoning, building, planning, or sanitation laws	<p><u>Section 4(a)</u>: MassHousing shall make loans in such manner as it shall by resolution determine to be necessary to assure repayment and payment of interest as the same become due.</p> <p><u>Section 4(p)</u>: MassHousing shall make and publish rules and regulations respecting the grant of mortgage loans and the regulation of borrowers.</p> <p><u>Multifamily Loan Closing Standards</u>:</p> <ul style="list-style-type: none"> • 2.2 Loan Security—Each mortgage shall include provisions requiring containment and removal of hazardous waste and toxic substances as required by environmental laws and regulations. • 9.1 Environmental—Borrower required to certify or provide evidence as required of Project's compliance with all federal, state, and local environmental laws. • 12.3.2 Zoning and Land Use Opinion—Borrower required to deliver opinion of counsel confirming Project complies with all applicable local planning and zoning requirements. • 12.3.3 Environmental Opinion—Borrower required to deliver opinion of counsel confirming Project complies with all environmental laws, rules, and regulations. • Borrower may provide evidence of zoning and land use requirements through architect or other professional certificates, or title endorsement

Project will be of public benefit and for a public purpose	<p><u>Section 5(g): MHFA/Board Required Findings</u></p> <ul style="list-style-type: none"> • Low-income persons can afford the adjusted rentals based on not more than 30% of qualifying income • There exists or would exist but for the project a shortage of decent, safe, sanitary housing at low rents available to persons and families of low-income within the housing market area to be served by the project • Private enterprise cannot supply such housing without MHFA assistance • Project is designed to house persons and families of varied economic means and will not create or contribute to undue concentration of low-income persons and families in any one neighborhood
Private Industry has not provided sufficient capital required for the project	
MassHousing's participation is necessary to the successful completion of the proposed project because funding for the project is unavailable in the traditional capital markets or credit has been offered on terms that would preclude the success of the project	
There is a reasonable expectation that the project will be successful	<p><u>Section 5(a): MHFA/Board Required Finding</u></p> <ul style="list-style-type: none"> • Project must supply or have promise of supplying well-planned, well-designed apartment units which are providing or will provide housing for low-income persons or families in a need for such housing. <p><u>MultiFamily Loan Closing Standards:</u> 4.1-4.4. Generally. Providing for MassHousing review and approval of contractors and plans and specifications and setting requirements of performance bond, completion guaranty, occupancy stabilization, and minimum debt service coverage ratio.</p> <p>Project financing will be required to meet MassHousing's underwriting requirements examining the financial capability of the Borrower and the expected revenue of the Project.</p>
The sponsor appears able to manage its proposed project responsibilities	
Proceeds of the project financing will be used solely in connection with the costs of the project	<p>Project financing agreements, customized to reflect the particular form of financing provided, will follow MassHousing established practice in carefully defining approved uses of financing proceeds.</p> <p>Project financing provided in the form of loans, for instance, will conform to MHFA and related requirements summarized below.</p> <ul style="list-style-type: none"> • <u>Section 5(a):</u> Mortgage loans are restricted to the financing of "housing projects" as defined in the Enabling Act. • <u>Multifamily Loan Closing Standards</u>

	<ul style="list-style-type: none"> ○ Section 2.1 requires a standard form of loan documentation, and MassHousing's loan documentation requires the proceeds of such loans be expended on development costs. If an alternative form is used, it shall contain the same requirement. • Where tax-exempt proceeds are applicable, Section 5.3.2 Residential Compliance Agreement. Ensures that the project will be financed, used and operated in accordance with the IRS code and the MHFA Enabling Act • Additionally, expenditure of proceeds of a loan may be further controlled by other statutory and regulatory regimes, including the Federal and State LIHTC and Historic Tax Credit programs and the Internal Revenue Code (IRC) and related Treasury Regulations pertaining to tax-exempt debt issued under Section 142(d) of the IRC. • Project financing agreements for any non-debt instruments will include appropriate language applying restrictions applicable to mortgage funding to any non-debt funds.
<p>Provision has been made in contract for adequate reporting to MassHousing of financial data from the project sponsor, including, for example, periodic audit of project books.</p>	<p><u>Section 5(d): Limited Profit.</u> Project owner may not make distributions in any one year in excess of 10% of equity in project, subject to MassHousing calculation of project value and equity.</p> <p><u>MultiFamily Loan Closing Standards</u></p> <ul style="list-style-type: none"> • 2.3.2 Regulatory Agreement. Provides for MassHousing project oversight and minimum acceptable standards for (1) limitations on distributions and (2) review of books and records, including audits as required. If an alternative form is used, it shall contain the same requirement. • 11.1 Property Management, Operations & Insurance. Covers controls addressing escrows and reserves, and insurance. • Where tax-exempt proceeds are applicable, 5.3.2 Residential Compliance Agreement. Requires periodic and annual certifications of compliance and provides for the inspection of books and records.

<p>MassHousing will maintain sufficient control over the project to ensure that public benefit and public purposes are maintained, through one or more of the following means:</p> <p>(a) the project is conducted by a wholly owned subsidiary of a CDC;</p> <p>(b) a CDC owns a majority of the capital stock of the entity conducting the project;</p> <p>(c) a CDC owns a majority of the voting stock of the entity conducting the project;</p> <p>(d) the project is conducted by a limited-dividend corporation or other association organized under the laws of the Commonwealth to provide public benefit and which exists for a public purpose;</p> <p>(e) the project is conducted by a non-profit corporation;</p> <p>(f) in all other cases, adequate provision is made for reporting to MassHousing and MassHousing must approve all major transactions including but not limited to any sale, merger, dissolution, the sale or issue of substantial amounts of stock, and corporate reorganization.</p>	<p>The controls below apply in each circumstance appearing in items (a)-(f) at left.</p> <p><u>Section 5(d): Limited Profit.</u> Project owner may not make distributions in any one year in excess of 10% of equity in project, subject to MassHousing calculation of project value and equity.</p> <p><u>Section 5(i): Disposition Agreement.</u> MassHousing requires a disposition agreement in connection with every mortgage loan, mortgage contract, or mortgage agreement of any kind.</p> <p><u>MultiFamily Loan Closing Standards</u></p> <ul style="list-style-type: none"> • 1.1-1.2. Single Purpose Entity. Project owner must at all times be a sole-asset, single purpose entity • 2.3.1. Regulatory Agreement. Provides MassHousing project oversight and minimum acceptable standards for (1) low income tenant protections after prepayment of MHFA loan including compliance with Chapter 40T; (2) restrictions on transfers of the development and borrower interests; (3) limitations on distributions. • 2.3.2 Disposition Agreement. Provides for preservation of Project affordability in accordance with Enabling Act. • 11.1 Property Management, Operations & Insurance. Covers a range of controls addressing tenant selection and marketing, escrows and reserves, and insurance. • Where tax-exempt proceeds are applicable, 5.3.2. Residential Compliance Agreement. Ensures that the Project will be financed, used and operated in accordance with the IRS code and the Enabling Act <p>If alternative forms are used, they shall contain equivalent requirements.</p> <p>Project financing agreements for any non-debt instruments will include appropriate language requiring MassHousing approval for all major decisions.</p>
--	---

Loan Commitment Proposal | April 8, 2025

Newton Gardens

1. General Project Information	
Project Name	Newton Gardens
Project ID	25-002
Associated Projects	N/A
Address(es)	149 North Street, Newton, MA 02460
Sponsor	WinnDevelopment Company Limited Partnership (the “Sponsor”)
Transaction Type	Production
Funding Type	Acquisition Financing
Execution Type	Workforce Housing
Credit Enhancement	None
Approval Type	Board
Total Rental Units	112
Affordability Mix	30 Affordable 82 Workforce

2. Recommended Actions

- Commitment of a Workforce Housing Loan

The proposed financing will support the acquisition of Newton Gardens (the “Development”), an existing, market-rate 112-unit development in Newton. The Sponsor has an opportunity to purchase the Development and preserve it as long-term restricted affordable housing. If sold to another market-rate purchaser, the Development is at risk of permanent loss from the Commonwealth’s inventory of naturally occurring affordable housing and will result in the potential displacement of existing residents through steep rent increases.

The Sponsor’s proposal, in collaboration with the City of Newton and Executive Office of Housing and Livable Communities (“EOHLC”), will ensure long-term affordability for existing tenants. As part of this public/private partnership proposal, the Sponsor will voluntarily adopt rent increase restrictions, so current tenants do not experience displacement or significant rent increases.

Due to timing constraints under their purchase and sale agreement, the Sponsor must acquire the Development now with interim acquisition financing and then refinance with long-term permanent financing. The Sponsor anticipates closing on interim financing, investor financing, a portion of the local City of Newton funds, and MassHousing’s workforce housing funds in June.

After acquiring the Development, the Sponsor will pursue permanent first mortgage debt from a third-party lender. Closing on the permanent financing is anticipated in December with MassHousing resubordinating its workforce loan to the new permanent financing.

3. MassHousing Financing

Junior Loan	
Type	Workforce Housing Loan (“WFH”)
Loan Amount	\$5,000,000
Interest Rate	0% projected
Loan Term/Amortization	40 y / non-amortizing
Terms of Cash Flow Sharing	Repayment terms for the WFH Loan will be determined by the final transaction structure. The balance of the WFH Loan is due upon sale or refinance of the permanent debt on the Development.

4. Development Plan

Description of Site. The Development is located at 149 North Street in the Nonantum Village of Newton (the “Site”). The Site is on an approximately 4.14-acre parcel, one mile from the Newtonville Commuter Rail Station and minutes away from MBTA bus stops on River Street in Watertown.

Description of Existing or Proposed Building. The Development is an occupied, nine-building, 112-unit housing community located on the Site, with a variety of unit types, including studio, one-bedroom, and two-bedroom units. Amenities include common area laundry in the basement of each building. There are also outdoor seating areas throughout the Development. The Sponsor plans to address code, life and safety and accessibility items at minimal cost. The Development does not currently include ADA-compliant units. The Sponsor will be adapting 5% (six units) to be fully ADA compliant. The Sponsor intends to complete the conversions within one year of closing of the permanent financing transaction. Given the limited scope, the Sponsor will not have construction drawings or a general contractor and will contract all work internally.

Description of Affordability Mix. Of the 112 units, 23 units are set-aside for households earning up to 80% of AMI, under MassHousing’s Workforce Housing Restriction.

While the use restriction is 80% of AMI, the Sponsor intends to leverage the HAP contract and lease 16 units to households at 30% of AMI.

Site Control. The Sponsor has a Purchase and Sale Agreement with the current owner.

5. Borrower Team

Mortgagor Entity: Newton Gardens LLC

Newton Gardens LLC (the “Borrower”) is a single-asset, sole-purpose limited liability company formed for the purposes of owning and operating the Development.

Developer / Sponsor: WinnDevelopment Company Limited Partnership

WinnDevelopment Company Limited Partnership (“WinnDevelopment”) is a Massachusetts limited partnership, the sole general partner of which is WDP Manager Corp., a Massachusetts corporation controlled by WinnCompanies. Founded in 1971 and comprised of a staff of 3,000, WinnCompanies is an owner, developer and manager of multifamily communities and mixed-income properties, owning more than 100 properties in 11 states, including 15,600 apartments. The company’s development practice focuses on large-scale mixed-use and mixed-income multifamily properties, the acquisition and repositioning of properties, and the acquisition and adaptive reuse of historic structures.

General Partner / Managing Member: TBD

The General Partner will be a single-asset sole purpose entity affiliate of the Sponsor.

Investor: Community Development Trust (“CDT”)

CDT provides long-term capital to support the creation and preservation of high-quality affordable housing throughout the United States. Founded in 2000, CDT has invested more than \$3.6 billion on approximately 38,000 affordable units, serving approximately 140,000 residents in 45 states. This will be CDT’s first transaction with Agency financing.

Management Company: Winn Managed Properties, LLC (d/b/a WinnResidential)

WinnCompanies’ property management firm is the fifth largest multifamily property manager in the country and the largest manager of affordable housing. The organization manages more than 100,000 units in 580 properties throughout the United States. WinnResidential manages a total of 82 properties with over 9,900 units in MassHousing’s portfolio.

6. Summary of MassHousing-Sponsor Relationship

Number of Projects with MassHousing Debt	32
Total Units with MassHousing Debt	4,796
Outstanding MassHousing Principal Debt	\$667,558,495
Adverse Actions Against the Borrower Team	No
Current on Obligations with MassHousing	Yes
Property Management Affiliate	Yes, Winn Managed Properties, LLC manages properties in the Sponsor's portfolio and offers management services outside the portfolio

MassHousing Staff

Origination	Mike Carthas, Originator
Underwriting	Tom Fitzmaurice, Underwriter
Asset Management	Nick Pepe, Portfolio Manager Natalia Gonchar, Asset Manager

7. Unit Mix

Unit Size	Total Units	80% AMI - PBV		80% AMI		110% AMI - WFH	
		Count	Rent	Count	Rent	Count	Rent
0 BR	1					1	\$1,991
1 BR	64	10	\$2,377	8	\$2,415	46	\$2,488
2 BR	47	6	\$2,827	6	\$2,893	35	\$2,934
Total	112	16		14		82	

Project-Based Rental Subsidy

Type	Section 8
Term	20 y
Administrator	Newton Housing Authority
Lesser of market or contract	

8. Operating Overview

See Section 11. First Year Income and Expenses

9. Project Costs

N/A

10. Sources and Uses

Sources	Acquisition		Permanent	
		<i>per unit</i>		<i>per unit</i>
MH Workforce Housing	\$5,000,000	\$44,643	\$5,000,000	\$44,643
Third-Party Acquisition Loan	\$27,000,000	\$241,071		
CDT Equity	\$8,000,000	\$71,429	\$8,000,000	\$71,429
Sponsor Equity	\$2,000,000	\$17,857	\$2,000,000	\$17,857
Newton AHT	\$3,500,000	\$31,250	\$4,000,000	\$35,714
EOHLC			\$6,000,000	\$53,571
Permanent Loan			\$22,050,000	\$196,875
Total Sources	\$45,500,000	\$406,250	\$47,050,000	\$420,089

Uses		Permanent	
			<i>per unit</i>
Acquisition		\$38,000,000	\$339,286
Construction		\$5,863,537	\$52,353
General Development		\$2,085,000	\$18,616
Capitalized Reserves		\$1,101,463	\$9,834
Total Uses		\$47,050,000	\$420,089

11. First Year Income and Expenses

First Year Income and Expenses

Operating Income		per unit
Rental Income – Non-Project-Based Subsidy	\$2,915,814	\$26,034
Rental Income – Project-Based Subsidy	\$463,248	\$4,136
Gross Potential Residential Income	\$3,379,062	\$30,170
	-	
Vacancy – Non-Project-Based Subsidy	\$145,791	\$1,302
Vacancy – Project-Based Subsidy	\$11,581	\$103
Gross Residential Income:	\$3,221,690	\$28,765
Other Income	\$64,400	\$575
Effective Gross Income	\$3,286,090	\$29,340
Operating Expenses		
Residential Operating Expenses	\$1,615,433	\$14,424
Net Operating Income	\$1,670,656	\$14,917

12. Underwriting

1. **Permanent Financing:** After acquiring the Development, the Sponsor will pursue permanent first mortgage debt from a third-party lender. Closing on the permanent financing is anticipated in December with MassHousing resubordinating its workforce loan at that time.
2. **Rental Subsidy:** The Sponsor's proforma includes 16 subsidized units. The Sponsor is awaiting approval from the City of Newton and EOHLC on the number of project-based vouchers that will be awarded to the Development.
3. **Workforce Housing:** The proposed WFH Loan of \$5,000,000 exceeds the per project limit of \$3,000,000 and the per workforce unit limit of \$100,000 per the MassHousing Workforce Housing Guidelines. Given the Sponsor's opportunity to purchase this market-rate development and preserve as long-term restricted affordable housing, Staff recommends approval of this higher loan amount, which equates to \$217,391 per Workforce Housing unit.

13. Low-Income Housing Tax Credits

N/A

Newton Gardens VOTES AND FINDINGS

PROPOSALS AND VOTES

Mortgage Loans

Staff has reviewed the proposal for subordinate workforce loan financing and proposes the following votes for approval:

VOTED: To approve the findings and determinations set forth below and to authorize a subordinate mortgage loan in a principal amount of up to \$5,000,000 to be made to Newton Gardens LLC or another single-purpose entity controlled by WinnDevelopment Company Limited Partnership or an affiliate (the “Borrower”) as owner of the multifamily residential development known as “Newton Gardens” (the “Development”) and located in Newton, Massachusetts (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, (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 and (3) the following special conditions:

The subordinate workforce loan shall be permitted to be resubordinated to future permanent financing for the Development on terms and conditions acceptable to the Chief Executive Officer, the Chief Legal and Operating Officer and the Vice President of Multifamily Programs, and their respective designees, each acting singly, and in a manner acceptable to MassHousing’s General Counsel or their designee.

VOTED: To authorize the Chief Executive Officer, the Chief Legal and Operating Officer 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) except for the anticipated senior financing for the Development, any such mortgage loans shall be subordinated to MassHousing’s first mortgage loan, and other MassHousing debt as determined by the Chief Executive Officer, the Chief Legal and Operating Officer 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 their 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:

30 units (27%) 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

The market needs data reflects the information available to A&M staff as of the date of collection March 19, 2025. Further, the reader is cautioned and reminded that any observations, comparisons, and/or conclusions are based on the data as of the collection date.

In-house data for larger market and mixed-income complexes (approximately 1,023 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 95.8%, and range between 94% and 98%. Two of the comparables were offering concessions of one month's free rent.

First quarter 2025 CoStar data for the subject's Brookline/Newton/Watertown Submarket (11,304 units) has an overall vacancy rate at 5.3% YTD, which is an increase of 1.4% from one year ago. CoStar data for the Boston market (284,703 units) has an overall vacancy rate of 5.5% YTD, which is a decrease of 0.1% from one year ago. The Brookline/Newton/Watertown Submarket vacancy rate is projected to decrease to 5.2% over the next five years, while the Boston market is projected to increase to 5.6%.

CoStar submarket data for the 4-5-Star building type (3,686 units) indicates first quarter 2025 vacancy rate of 9.2% and an average asking rent of \$3,856, while submarket data for the subject's 3-Star building type (4,252 units) indicates a first quarter 2025 vacancy rate of 4.7% at an average asking rent of \$3,388 and 1-2 Star buildings (3,366 units) indicates a first quarter 2025 vacancy rate of 1.8% at an average asking rent of \$2,631. 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 EOHLC Chapter 40B Subsidized Housing Inventory (06/29/23), the City of Newton has 33,116 year-round housing units, 2,870 (8.67%) of which are subsidized for low/moderate income households.

Per the Newton Housing Authority (NHA) and the City of Newton 5-year Consolidated Plan(FY21-FY25) the authority owns 90 units of State-funded family public housing comprised of two-, three-, and four-bedrooms units, with a total of 3.984 applicants on the waiting list. These units are scattered throughout Newton. NHA also owns two State-funded elderly/disabled public

housing units with 32 one-bedroom units with a total of 238 applicants on the waiting list. They also administer 30 MRVP and there are two applicants on the waiting list.

Regarding Federal-funded public housing, NHA owns six Federal funded elderly/disabled public housing developments with a total of 298 one-bedroom with a total of 130 applicants of the waiting list. NHA also administers 441 Section 8 Housing Choice Vouchers, NHA participates in the Massachusetts Section 8 Centralized Waiting List and there are currently 157,048 applicants on this list.

NHA also administers the following other Federal-funded programs; Section 8 YMCA Project-based Single Room Occupancy Program for Single Homeless Men. There are 25 units in this facility that are subsidized by Section 8 project-based vouchers and there are eight applicants on the waiting list. Section 8 Victims of Domestic Violence Program. The program has 15 units dedicated to victims of domestic violence and there are 54 applicants on the waiting list. The NHA is the owner of two properties funded by EOHLC. These properties are leased to vendors who operate residential programs for special needs clients.

U.S. Census data from the 2019-2023 American Community Survey (ACS) indicates that of the 32,074 households in the City of Newton approximately 67.1% earned less than the HUD published 2024 AMI (\$148,900), approximately 23.9% earned less than 50% of 2024 AMI, approximately 34.3% earned less than 60% of the 2024 AMI and approximately 55.1% earned less than 80% of the 2024 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 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	0	1	2
Number of Units	1	64	47
Elev./Non-Elev.	N	N	N
Market Rate Rent	\$2,564	\$3,010	\$3,447
MHFA Below Market Rent (Cost-Based Rent)	\$1,889	\$2,335	\$2,772
MHFA Adjusted Rent	30% of 80% of AMI		
Underwriting Rents			
MRVP – 80%		\$2,377	\$2,827
80% AMI		\$2,415	\$2,893
WFH – 110%	\$1,991	\$2,488	\$2,934

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.

MAP AND PICTURES





Loan Commitment Proposal | April 8, 2025

Newton Gardens

Location	149 North Street, Newton, MA 02460
Sponsor	WinnDevelopment Company Limited Partnership
Transaction Type	Production
Funding Type	Acquisition Financing
Execution Type	Workforce Housing
Credit Enhancement	None
Total Rental Units	112
Affordability Mix	30 Affordable 82 Workforce

Deal Team Members

Origination	Mike Carthas
Underwriting	Tom Fitzmaurice
Asset Management	Nick Pepe, Natalia Gonchar

Newton Gardens | Newton



MASSHOUSING

Loan Commitment Proposal | Newton Gardens | April 8, 2025

Borrower Team

Mortgagor Entity	TBD
Developer / Sponsor	WinnDevelopment Company Limited Partnership
General Partner / Managing Member	TBD
Investor	Community Development Trust (“CDT”)
Management Company	Winn Managed Properties, LLC (d/b/a WinnResidential)

Unit Mix

Unit Size	Total Units	80% AMI - PBV		80% AMI		110% AMI - WFH	
		<i>Count</i>	<i>Rent</i>	<i>Count</i>	<i>Rent</i>	<i>Count</i>	<i>Rent</i>
0 BR	1	-	-	-	-	1	\$1,991
1 BR	64	10	\$2,377	8	\$2,415	46	\$2,488
2 BR	47	6	\$2,827	6	\$2,893	35	\$2,934
Total	112	16		14		82	

Sources and Uses

Sources	Acquisition	<i>per unit</i>	Permanent	<i>per unit</i>
MH Workforce Housing	\$5,000,000	\$44,643	\$5,000,000	\$44,643
Third-Party Acquisition Loan	\$27,000,000	\$241,071		
CDT Equity	\$8,000,000	\$71,429	\$8,000,000	\$71,429
Sponsor Equity	\$2,000,000	\$17,857	\$2,000,000	\$17,857
Newton AHT	\$3,500,000	\$31,250	\$4,000,000	\$35,714
EOHLC			\$6,000,000	\$53,571
Permanent Loan			\$22,050,000	\$196,875
Total Sources	\$45,500,000	\$406,250	\$47,050,000	\$420,089
Uses			Permanent	<i>per unit</i>
Acquisition			\$38,000,000	\$339,286
Construction			\$5,863,537	\$52,353
General Development			\$2,085,000	\$18,616
Capitalized Reserves			\$1,101,463	\$9,834
Total Uses			\$47,050,000	\$420,089

Underwriting Notes

1. Permanent Financing
2. Rental Subsidy
3. Workforce Housing

Recommended Votes

- Commitment of a Workforce Housing Loan

Subordinate Loan Commitment Proposal | April 8, 2025

Residences at East Milton

1. General Project Information	
Project Name	Residences at East Milton
Project ID	#25-003
Associated Projects	N/A
Address(es)	4 Franklin Street, Milton
Sponsors	Joseph J. Corcoran Company The Falconi Companies
Transaction Type	Production
Funding Type	Forward Commitment of a Subordinate Loan
Execution Type	FORGE (Taxable)
Credit Enhancement	None
Approval Type	Board
Total Rental Units	92
Affordability Mix	23 Affordable 69 Market

2. Recommended Actions

- Commitment of a Subordinate Loan

The proposed financing will support the construction of the Residences at East Milton (the “Development”), a 92-unit mixed-income community located in Milton. A joint venture of Joseph J. Corcoran Company and The Falconi Companies (the “Sponsor”) is the Developer. The financing will leverage the Agency’s Bringing Innovation to Lending and Development (“BILD”) program including permanent debt with a Financing Options for Residential Growth and Expansion (“FORGE”) Loan and Momentum Equity. This proposal is for commitment of the Subordinate Loan (as defined below), and the request for Momentum Equity will be made through a separate proposal.

The proposed FORGE Loan financing will utilize MassHousing’s arrangement with Berkadia Commercial Mortgage LLC (“Berkadia”), which allows sponsors to access an integrated debt financing package through the Federal Home Loan Mortgage Corporation (“Freddie Mac”). Freddie Mac lending includes a risk sharing element, a concept which is also seen in HUD’s Federal Housing Administration (“FHA”) and Federal Financing Bank (“FFB”) Risk-Sharing Initiatives, in which MassHousing participates extensively. In the Freddie Mac structure, a lending partner purchases a 10% top loss tranche of the loan (generally referred to as the “B Piece”), allows Freddie Mac to structure bonds as Triple-A (“AAA”) securities and therefore to offer favorable interest rates to borrowers.

Under the Agency’s arrangement with Berkadia, MassHousing plays the role of the B Piece purchaser. However, rather than purchase a tranche of the Freddie Mac loan, the Agency has opted to make a subordinate loan of up to 10% of the total supportable loan amount.

The resulting integrated permanent financing package will then consist of a Freddie Mac first mortgage loan (“First Mortgage Loan”) and a coterminous subordinate second mortgage loan from MassHousing (the “Subordinate Loan” and together with the First Mortgage Loan, the “Loans”). The Loans will fund the senior debt obligations at no more than 80% combined Loan-to-Value (“LTV”) and no less than a combined 1.25 Debt Service Coverage Ratio (“DSCR”).

3. Financing	
First Mortgage Loan	
Type	Taxable Freddie Mac Loan
Loan Amount	\$26,838,000
Interest Rate	6.60% projected, locked in advance of closing
Subordinate Loan	
Type	Taxable MassHousing Loan
Loan Amount	\$2,982,000
Interest Rate	8.60% projected, locked in advance of closing
Overall Financing Package	
Combined Loan Amount	\$29,820,000
Loan Term / Amortization	10 y / 40 y
Forward Term	Up to 36 months
Combined Year 1 DSCR	1.25 projected (1.25 minimum)
Combined LTV	60% projected (80% maximum)

MassHousing and Berkadia have entered into an Origination and Underwriting Agreement defining the relationship between MassHousing and Berkadia regarding the origination, underwriting, and closing of an integrated debt financing package. The financing package will include the First Mortgage Loan underwritten by Berkadia and funded through Freddie Mac and the Subordinate Loan underwritten and funded by MassHousing.

The First Mortgage Loan will meet a minimum 1.35 DSCR. Together with the Subordinate Loan, the Loans will meet a minimum combined 1.25 DSCR. This structure allows MassHousing to access a low-cost taxable permanent financing execution by committing up to 10% of the overall financing package. Because the Agency’s commitment is providing credit enhancement to Freddie Mac in the form of a first loss position, the Agency’s involvement allows for more favorable lending terms than Berkadia can offer to borrowers outside of the program, including a more competitive interest rate, up to 80% LTV and a favorably priced 36-

month forward commitment, reducing the overall cost of the financing and supporting the development of mixed-income housing.

Berkadia is responsible for ensuring that all applicable Freddie Mac requirements have been satisfied, and that Freddie Mac will determine the new First Mortgage Loan is an acceptable risk. MassHousing will independently underwrite the Subordinate Loan. With Sponsor's acceptance of commitment letters for the Loans, the financing package will advance to closing. There will be a single construction closing with coordination between MassHousing, Berkadia, the Sponsor, and the construction lender. Once the Development achieves stabilization, Freddie Mac and MassHousing will make the Loans to replace the construction loan.

4. Development Plan

Description of Site. The Development will be located on a 1.1-acre parcel located in East Milton Square, one block east of the Southeast Expressway (the "Site"). The Site is currently occupied by three vacant houses, a two-story commercial building, and a parking lot. East Milton Square offers a range of services, including restaurants, health care, a bank, and a gym. Access to the Southeast Expressway is half a mile away, and bus service located one block from the Site provides access to the Red Line at Ashmont Station.

Description of Existing or Proposed Building. The development plan involves demolition of the existing structures and the new construction of 92 residential units in a five-story wood-framed building with a concrete garage. There will be 70 garage parking spaces and 37 spaces on a raised parking deck. All of the parking spaces will be available to residents for a monthly fee. In addition to the parking deck, the first floor will contain a lobby, three apartments, a leasing office, a fitness room, and mechanical space.

Description of Affordability Mix. Twenty-five percent of the units (23 units) will be income restricted for households earning up to 80% of the Area Median Income ("AMI"). The remaining units will be unrestricted market rate apartments.

The Town of Milton approved a comprehensive permit under Chapter 40B for the Development in April 2022. MassHousing is the Chapter 40B subsidizing agency for the Development.

Site Control. The sponsor entity has site control through a purchase and sale agreement with the seller, Falconi Properties LLC, an affiliate of one of the co-sponsors.

5. Development Team

Sponsor/Equity Investor Entity:

Adams Court Holdings, LLC

Mortgagor Entity:

Adams Court Property Owner LLC

A sole-asset, single-purpose entity formed for the purpose of owning and operating the Development.

Developer / Co-Sponsor:

Joseph J. Corcoran Company

Joseph J. Corcoran Company was founded by Joseph J. Corcoran in 2014 with a mission to build mixed-income housing across Massachusetts and beyond. Mr. Corcoran has been working in real estate since 1985, when he started working at Corcoran Jennison Companies as an assistant project director of development. Since then, Mr. Corcoran has been involved in the design, permitting, and construction of multiple apartment developments. He also has experience in the asset management of rental housing, ownership housing, resorts, golf courses, and commercial properties.

Co-Sponsor:

Falconi Companies

The Falconi Companies specializes in the development, leasing and management of residential, office and retail assets. The firm presently owns and manages more than 1,200 residential and commercial properties and continues to construct new homes across the South Shore. The Falconi Companies is a family-owned and operated firm that was founded in 1952 and is based in Milton. The firm will be an equity investor in the Development but will not have an active role during construction or operations.

Sponsor Entity:

Adams Court Development LLC

The sponsor entity is comprised of Adams Court Manager LLC and RJDD, LLC, both of which will have a 50% ownership interest in the Sponsor Entity.

Adams Court Manager LLC will be the managing member and is managed by JJC Capital, LLC, an entity controlled by Joseph J. Corcoran.

RJDD, LLC, which is controlled by Falconi Companies, will be a Member of the Sponsor Entity.

Equity Investors:

Fidelity Management & Research Company

Fidelity Management & Research Company (FMR Co.) acts as the investment advisor to Fidelity Investments' family of mutual funds. FMR Co.

Syndicated Limited Partner Equity will be provided by a syndicate of accredited, high net worth investors.

Construction Lender: Metro Credit Union

Metro Credit Union (“MCU”) is a not-for-profit financial cooperative that is owned by and operated for its members. Based in Melrose, the organization offers a wide range of low-cost financial products and services and is the largest state-chartered credit union in Massachusetts, with more than 220,000 members.

The Sponsors selected MCU from a group of local lenders through a bid process managed by Newmark, the broker for the Development’s debt and equity. The Sponsors chose MCU due to the loan terms and its experience as construction lender for Ice House Condominiums, a 52-unit Chapter 40B condominium building in Milton that opened in 2024.

Management Company: Corcoran Management Co., Inc.

Corcoran Management Company, Inc. (“CMC”) is a division of John M. Corcoran and Company, a developer and builder of high-quality real estate. CMC has extensive experience managing a diverse portfolio of urban and suburban luxury housing. The portfolio includes market-rate, mixed-income, and affordable housing. Affordable programs managed include LIHTC, 40B, local, Section 8, IDP, and state and federal public housing. The current team at CMC has overseen the lease-up of more than 3,176 apartments in 21 properties over the past 15 years. CMC will be a third-party manager of the Development and is unaffiliated with the Sponsor.

Architect: VMY Architects LLC

VMY Architects is a full-service architectural firm based in Needham. The company was originally established in 1930 and reorganized in its current form in 1979. The principals are V. Vectors Vitols, Marquis Major, and Hiroshi Yoneyama. VMY was the architect on one development with Agency funding and two developments with funding from the Affordable Housing Trust Fund: The Preserve, Parc at Medfield (Affordable Housing Trust Fund), and Lydia Square Apartments (Affordable Housing Trust Fund).

General Contractor: Plumb House Inc.

Plumb House specializes in the construction of multi-family housing projects, which it has built across Massachusetts and Connecticut. The company was founded in 1973 and is based in Milford. Plumb House has worked with military, municipal, private, and non-profit clients to complete over 23,000 apartment units. Plumb House is currently under review by Design and Construction as this will be its first project with MassHousing.

6. Summary of MassHousing-Sponsor Relationship	
Number of Projects with MassHousing Debt	None
Total Units with MassHousing Debt	None
Outstanding MassHousing Principal Debt	\$0
Adverse Actions Against the Borrower Team	None
Current on Obligations with MassHousing	N/A
Property Management Affiliate	No

MassHousing Staff	
Origination	Jeff Geller, Originator Matt Deych, Analyst
Underwriting	Dan Staring, Underwriter Joe Bertolino, Underwriter
Asset Management	Dan Discenza, Portfolio Manager

7. Unit Mix

Unit Size	Total Units	80% of AMI*		Market**		Market w/ Den**	
		Count	Rent	Count	Rent	Count	Rent
0 BR	13	3	\$2,280	10	\$2,601	-	-
1 BR	39	9	\$2,442	21	\$3,270	9	\$3,445
2 BR	30	8	\$2,931	19	\$4,422	3	\$5,045
3 BR	10	3	\$3,386	7	\$5,448	-	-
Total	92	23		57		12	

*Net of utility allowances

**Market rents represent projections based on review of materials provided by Sponsor as well as available market comparable information. Underwritten rents will be reviewed and finalized upon receipt of appraisal commissioned as part of Berkadia's underwriting.

8. Operating Overview

Underwritten Operating Expenses	\$1,161,000 (approximately \$12,600 per unit)
---------------------------------	---

Basis of Operating Costs. Underwritten operating expenses are based on review of the Sponsor's proforma, Freddie Mac underwriting requirements, and review of available comparable data. Operating Expenses will be further refined through Berkadia's underwriting with Agency underwriting confirming the final operating expense budget in sizing of the Subordinate Loan.

All utilities at the Development will be sub-metered, including water usage, and will be paid by tenants. Utilities will be electric except for gas hot water heaters in each unit. The operating expenses include common area electrical and water and sewer costs. The 80% of AMI units include a utility allowance in the rent.

9. Project Costs

Project Construction Costs	
Total Construction Cost	\$34,200,000
Construction per Square Foot	\$257

10. Sources and Uses

Sources	Construction		Permanent	
		<i>per unit</i>		<i>per unit</i>
Metro Credit Union Construction	\$29,820,000	\$324,130		
Fidelity Equity	\$5,000,000	\$54,348		
First Mortgage Loan			\$26,838,000	\$291,717
Subordinate Mortgage Loan			\$2,982,000	\$32,413
Momentum Equity			\$5,000,000	\$54,348
Syndicated Limited Partner Equity	\$14,772,611	\$160,572	\$14,772,611	\$160,572
Falconi Companies Equity	\$1,315,000	\$14,293	\$1,315,000	\$14,293
Joseph J. Corcoran Equity	\$1,315,000	\$14,293	\$1,315,000	\$14,293
Total	\$52,222,611	\$567,637	\$52,222,611	\$567,637

Uses	Permanent	
		<i>per unit</i>
Acquisition	\$2,968,000	\$32,261
Construction	\$34,200,000	\$371,739
Contingency	\$1,665,000	\$18,098
General Development	\$11,140,791	\$121,096
Developer Overhead & Fee	\$2,248,820	\$24,444
Total	\$52,222,611	\$567,637

11. First Year Income and Expenses

Income		
Gross Potential Residential Income		\$3,829,476
Vacancy – Non-Rental Subsidy	6.5%	(\$254,589)
Gross Residential Income		\$3,574,887
Other Income – Parking/Cable/Misc.		\$302,400
Effective Gross Income		\$3,877,287

Expenses		
Residential Operating Expenses		\$1,161,264
Net Operating Income		\$2,716,022
Cash Flow		\$542,477

Combined Debt Service Coverage 1.25

Residential Operating Expense Detail			<i>Per Unit</i>
Management Fee	3.3%	\$128,800	\$1,400
Administrative Costs		\$243,716	\$2,649
Maintenance Costs		\$138,000	\$1,500
Utilities: Electricity, gas, water & sewer		\$92,000	\$1,000
Real Estate Taxes		\$420,748	\$4,573
Insurance		\$115,000	\$1,250
Replacement Reserves		\$23,000	\$250
Total		\$1,161,264	\$12,622

Operating Expenses as a Percent of EGI 30.0%

12. Underwriting

1. **Loan Sizing.** The Sources and Uses and MassHousing Financing Summary in this commitment proposal reflect a Projected Subordinate Loan amount of \$2,982,000. The Votes below allow for an “Up To” Loan amount of \$4,025,000. The final loan amount will be set after Freddie Mac issues their loan commitment and the interest rate is locked, such that the combined debt service coverage ratio as well as loan to value benchmarks will be met and the Subordinate Loan will be no greater than 10% of the Loans.

To the extent that the final subordinate loan amount is greater or less than \$2,982,000, MassHousing will confirm that other sources will be adjusted as necessary to maintain a balanced sources and uses.

2. **Transaction Structure.** The Sponsor will commence development activity funded with construction financing from Metro Credit Union as well as equity sources. Development equity sources include i. Sponsor contribution (\$2,630,000); ii. Syndicated Limited Partner Equity contribution (\$14,700,000, with no individual contributing more than \$2,000,000); and iii. Fidelity Management Research Company LLC (“Fidelity”) contribution (\$5,000,000). Upon construction completion, the Momentum Equity (\$5,000,000) will come into the transaction and replace the Fidelity equity. Other equity contributions will stay in the transaction as permanent sources.
3. **Third Party Reports.** Under the Origination and Underwriting Agreement between Berkadia and MassHousing, Berkadia will commission all third-party reports as part of its diligence review. MassHousing will be an intended user of these reports and to the extent that any of the reports change the underwritten rents, loan-to-value, or replacement reserve deposits, the loan size may be adjusted accordingly.

13. Low-Income Housing Tax Credits

N/A

Residences at East Milton VOTES AND FINDINGS

PROPOSALS AND VOTES

Mortgage Loan

Staff has reviewed the proposal for subordinate financing and proposes the following vote for approval by the Agency:

VOTED: To approve the findings and determinations set forth below and to authorize a permanent second mortgage loan in an approximate principal amount of \$2,982,000, or such other amount as evidenced in the Freddie Mac loan commitment, subject to the limitation that the final amount of such loan shall not be more than \$4,025,000 nor less than \$1,938,000, to be made to Adams Court Property Owner LLC or another single-purpose entity controlled by Joseph J. Corcoran Company and The Falconi Companies (the “Borrower”) as owner of the multifamily residential development known as “Residences at East Milton” (the “Development”) and located in Milton, Massachusetts, provided together with, and made subordinate to, a first mortgage loan to the Borrower by Freddie Mac, 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

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:

Twenty-three units (25%) 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

The market needs data reflects the information available to A&M staff as of the date of collection March 14, 2025. Further, the reader is cautioned and reminded that any observations, comparisons, and/or conclusions are based on the data as of the indicated collection date.

In-house data for larger market and mixed-income complexes (approximately 721 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 94.2%, and range between 92% and 96%. One of the comparables was offering one month free.

1st Qtr. 2025 CoStar data for the subject's Quincy/Milton/Randolph Multi-Family Submarket (13,054 units) has an overall vacancy rate at 5.5% YTD, which is a decrease of 2.58 % from one year ago. CoStar data for the Boston market (284,226 units) has an overall vacancy rate of 5.6% YTD, which is an increase of .05 % from one year ago. The Quincy/Milton/Randolph Multi-Family Submarket vacancy rate is projected to increase to 6.8% over the next five years, while the Boston market is projected to increase to 5.8%.

CoStar, submarket data for the 4-5 Star building type (5,650 units) indicates a 1st Qtr. 2025 vacancy rate of 6.0% and an average asking rent of \$2,919, while the submarket data for the subject's 3 Star building type (4,716 units) indicates a 1st Qtr. 2025 vacancy rate of 5.7% at an average asking rent of \$2,531 and 1-2 Star buildings (2,688 units) indicates a 1st Qtr. 2025 vacancy rate of 3.8 % at an average asking rent of \$2,034.5. 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 Executive Office of Housing and Livable Communities (EOHLC) Chapter 40B Subsidized Housing Inventory (06/29/23), the City of Milton 9,801 year-round housing units, 748 (7.63%) of which are subsidized for low/moderate income households.

The Milton Housing Authority (MHA) owns and operates State subsidized 39 one-bedroom units of senior/disabled housing. In addition, the Milton Housing Authority owns and operates State subsidized 12 family apartments, 10 three-bedroom and 2 two-bedroom, at scattered site

locations. The Milton Housing Authority also owns and leases out two group homes. Per the representative, they participate in the CHAMP (Common Housing Application for Massachusetts Programs). The representative was unable to provide me the wait list information.

MHA also administer 144 Section 8 Vouchers and MHA participates in the Centralized Section 8 waiting list and per the latest information available there are approximately 184,216 applicants are on the centralized waiting list.

U.S. Census data from the 2018-2023 American Community Survey (ACS) indicates that of the 9,139 households in the Town of Milton approximately 68.4% earned less than the HUD published 2024 AMI (\$148,900), approximately 27.6% earned less than 50% of 2024 AMI, approximately 36.3% earned less than 60% of the 2024 AMI, and approximately 56.8% earned less than 80% of the 2024 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 or 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:

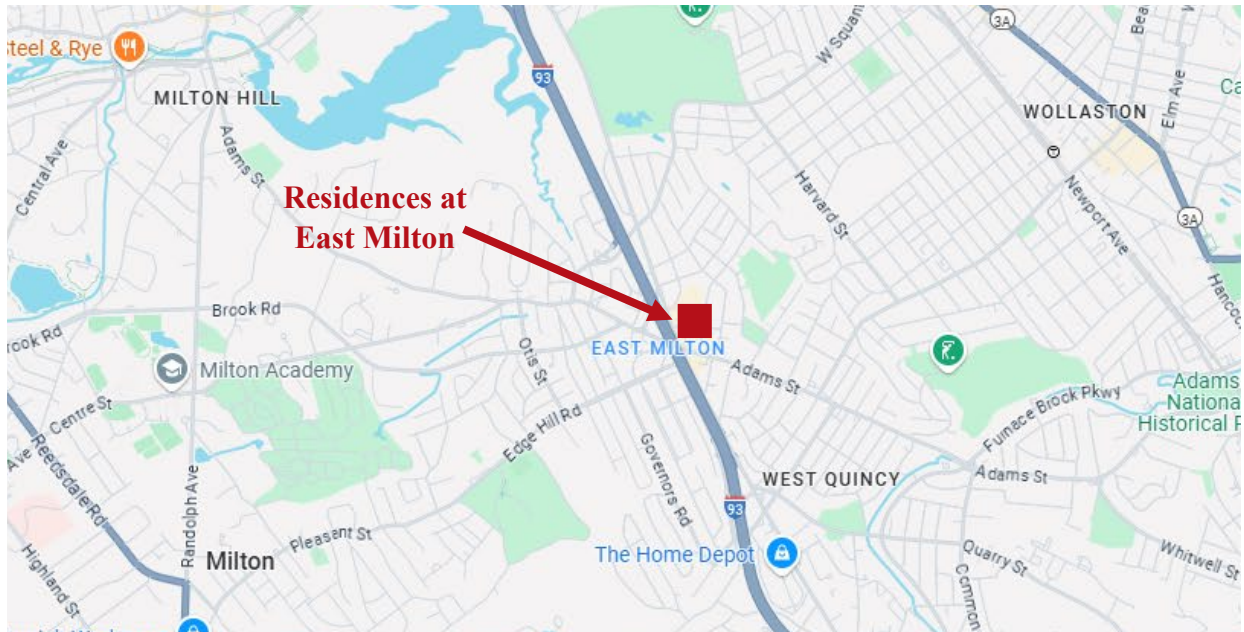
Pursuant to Section 6(a) of the Act, MassHousing makes the following rental determinations for units within the proposed Development:

Rent Schedule:

Number of Bedrooms	0 BR	1 BR	2 BR	3 BR
Number of Units	13	39	30	10
Net SF/Unit	526	687	935	1127
Elevator Y/N	Y	Y	Y	Y
Market Rate Rent (10% Rate 20 Year Term)	\$3,520	\$4,158	\$5,085	\$5,782
MHFA Below Market Rent (Cost-Based Rent)	\$2,493	\$3,071	\$3,999	\$4,696
MHFA Adjusted Rent	30% of 80% of AMI			
Underwriting Rents				
Market	\$2,601	\$3,270	\$4,422	\$5,448
Market + Den	-	\$3,445	\$5,045	-
80% of AMI	\$2,134	\$2,233	\$2,602	\$2,942

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.

MAP AND PICTURES





Loan Commitment Proposal | April 8, 2025

Residences at East Milton

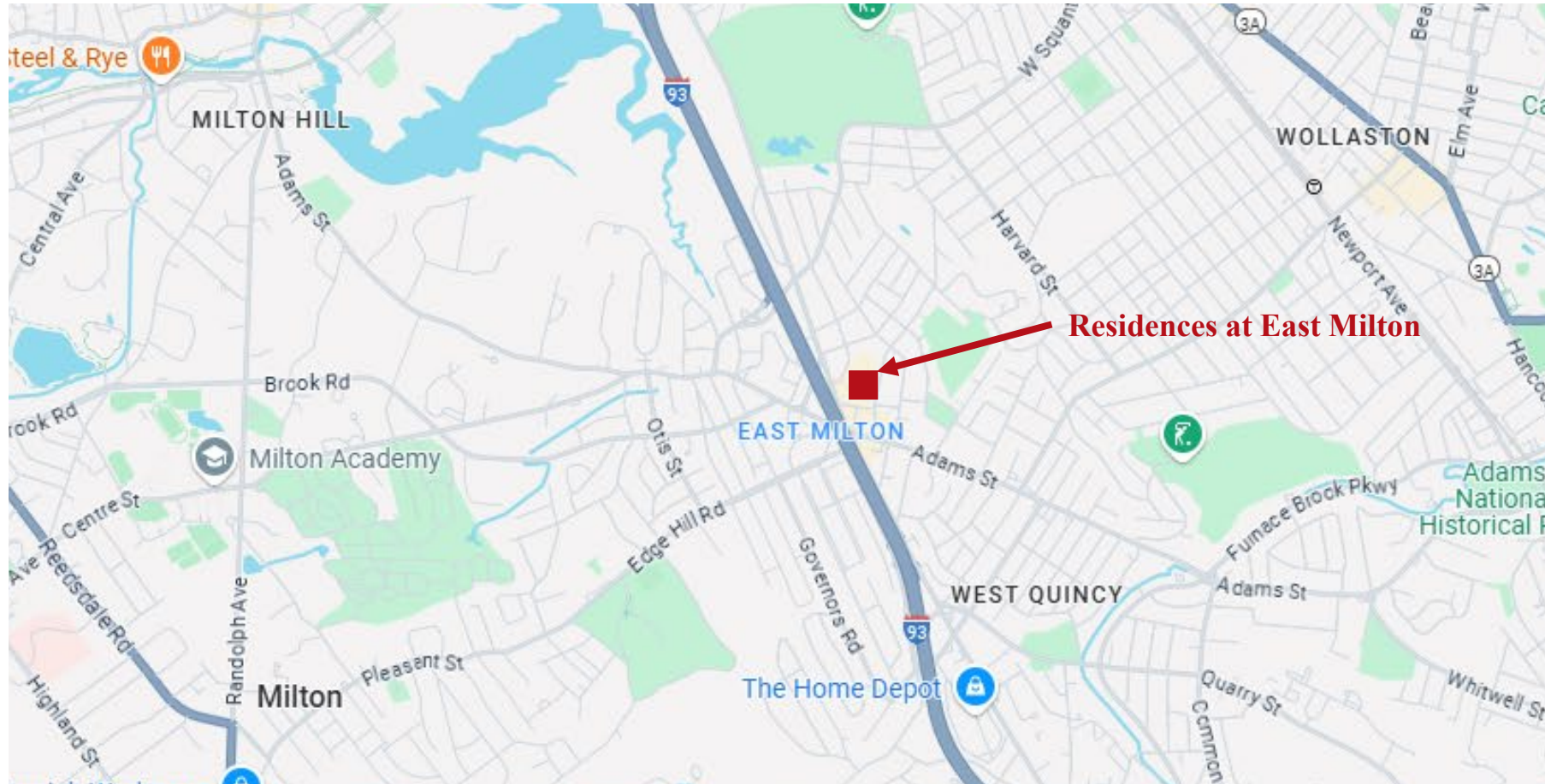
Location	4 Franklin Street, Milton
Sponsor	Joseph J. Corcoran Company The Falconi Companies
Transaction Type	Production
Funding Type	Forward Commitment of a Subordinate Loan
Execution Type	FORGE (Taxable)
Credit Enhancement	None
Total Rental Units	92
Affordability Mix	23 Affordable 69 Market

Deal Team Members

Origination	Jeff Geller, Matt Deych
Underwriting	Joe Bertolino
Asset Management	Dan Discenza



Residences at East Milton | Milton



Development Team

Sponsor/Equity Investor Entity	Adams Court Holdings, LLC
Mortgagor Entity	Adams Court Property Owner LLC
Developer / Co-Sponsor	Joseph J. Corcoran Company
Co-Sponsor	Falconi Companies
Sponsor Entity	Adams Court Development LLC
Equity Investor	Fidelity Management & Research Company
Construction Lender	Metro Credit Union
Management Company	Corcoran Management Co., Inc.
Architect	VMY Architects LLC
General Contractor	Plumb House Inc.

Unit Mix

Unit Size	Total Units	80% AMI*		Market**		Market w/ Den**	
		<i>Count</i>	<i>Rent</i>	<i>Count</i>	<i>Rent</i>	<i>Count</i>	<i>Rent</i>
0 BR	13	3	\$2,280	10	\$2,601	-	-
1 BR	39	9	\$2,442	21	\$3,270	9	\$3,445
2 BR	30	8	\$2,931	19	\$4,422	3	\$5,045
3 BR	10	3	\$3,386	7	\$5,448	-	-
Total	92	23		57		12	

**Net of utility allowances*

***Market rents represent projections based on review of materials provided by Sponsor as well as available market comparable information. Underwritten rents will be reviewed and finalized upon receipt of appraisal commissioned as part of Berkadia's underwriting.*

Project Costs

Project Construction Costs	
Total Construction Cost	\$34,200,000
Construction per Square Foot	\$257

Sources and Uses

Sources	Construction	<i>per unit</i>	Permanent	<i>per unit</i>
Metro Credit Union Construction	\$29,820,000	\$324,130		
Fidelity Equity	\$5,000,000	\$54,348		
First Mortgage Loan			\$26,838,000	\$291,717
Subordinate Mortgage Loan			\$2,982,000	\$32,413
Momentum Equity			\$5,000,000	\$54,348
Syndicated Limited Partner Equity	\$14,772,611	\$160,572	\$14,772,611	\$160,572
Falconi Companies Equity	\$1,315,000	\$14,293	\$1,315,000	\$14,293
Joseph J. Corcoran Equity	\$1,315,000	\$14,293	\$1,315,000	\$14,293
Total	\$52,222,611	\$567,637	\$52,222,611	\$567,637

Uses	Permanent	<i>per unit</i>
Acquisition	\$2,968,000	\$32,261
Construction	\$34,200,000	\$371,739
Contingency	\$1,665,000	\$18,098
General Development	\$11,140,791	\$121,096
Developer Overhead & Fee	\$2,248,820	\$24,444
Total	\$52,222,611	\$567,637

Underwriting Notes

1. Loan Sizing
2. Transaction Structure
3. Third Party Reports

Recommended Votes

- Approval of a Permanent Second Mortgage Loan

Momentum Equity Commitment Proposal | April 8, 2025

Residences at East Milton**1. General Project Information**

Project Name	The Residences at East Milton
Project ID	25-003
Associated Projects	N/A
Address(es)	4 Franklin Street, Milton
Sponsor	Joseph J. Corcoran Company and Falconi Companies
Transaction Type	Production
Funding Type	Equity
Execution Type	Momentum Equity
Approval Type	Board
Total Rental Units	92
Affordability Mix	23 Affordable 69 Market

2. Recommended Actions

- Commitment of Momentum Equity

On behalf of Joseph J. Corcoran Company and Falconi Companies (the “Sponsor”), MassHousing staff recommend approval of financing through the Agency’s Bringing Innovation to Lending and Development (“BILD”) program for the Residences at East Milton, located in Milton (the “Development”).

The BILD program includes Momentum Equity and Financing Options for Residential Growth and Expansion (“FORGE”) debt. The proposal herein relates to the approval of a Momentum Equity investment; approval of the FORGE debt will follow a parallel process.

Momentum Equity will not be used as a source of funds during construction but rather will replace or takeout other sources as part of the permanent capital stack financing.

The resulting integrated financing package will consist of \$5,000,000 in Momentum Equity and approximately \$30,000,000 of FORGE loan proceeds, which is comprised of a Freddie Mac first mortgage loan (“First Mortgage Loan”) and a coterminous subordinate second mortgage loan from MassHousing (the “Subordinate Loan” and together with the First Mortgage Loan, the “Loans”). The FORGE commitment memo is included in Exhibit 2.

Please see also the attached Supplemental Information Memorandum, which updates the information contained in Section 3 and Section 9 in response to questions from the BILD Investment Advisory Committee. The vote included in this package shall be with respect to this commitment proposal, as updated and modified by the supplemental information memorandum.

3. Financing	
Momentum Equity	
Type	Preferred Equity
Equity Investment Amount	\$5,000,000
Preferred Equity Return	10 Year Treasury Rate + 200bps (currently 6.34%)
General Project Timing	
Analysis & Pre-Construction Start Date	3/1/2025
Estimated Land Closing Date	5/1/2025
Estimated Construction Start Date (Site)	5/1/2025
Estimated Construction End & Final CO Received	5/1/2027
Estimated Disbursement of Equity Installment	5/1/2027
Estimated Last Unit Leased	12/1/2027 (Month 32)
Financial Assumptions	
Negative Trending (annual)	2% revenue increase 3% expense increase
# of Units Pre-leased by 1 st CO	12 Units
Monthly Absorption Rate	14.57 units/month
Sale or Exit Timeframe	120 Months after Project Stabilization
Key Performance Indicators*	
Sale or Exit Capitalization Rate	5.00%
Overall IRR	6.92% inclusive of Momentum Equity
Momentum Equity IRR	6.69%
Multiple on Equity	1.95%
Average Project Cash-on-Cash	5.06%

*All indicators defined in Exhibit 4.

As debt underwriting is finalized, both Preferred Equity and Common Equity investment amounts are subject to refinement; ultimately, Momentum Equity will be approximately 25% of the Development's total equity.

Commitment letters for the Loans will be finalized and executed prior to issuance of a commitment letter for Momentum Equity. The financing package for Momentum Equity and FORGE Loan will advance to construction closing, and there will be a single construction closing with coordination between MassHousing, Berkadia and the Sponsor.

4. Development Plan

Description of Site. The Development will be located on a 1.1-acre parcel located in East Milton Square, one block east of the Southeast Expressway (the “Site”). The Site is currently occupied by three vacant houses, a two-story commercial building, and a parking lot. East Milton Square offers a range of services, including restaurants, health care, a bank, and a gym. Access to the Southeast Expressway is half a mile away, and bus service located one block from the Site provides access to the Red Line at Ashmont Station.

Description of Existing or Proposed Building. The development plan involves demolition of the existing structures and the new construction of 92 residential units in a five-story wood-framed building over one level, concrete podium. There will be 107 parking spaces, of which 70 are enclosed and 37 surface parking spaces. The first level will contain a lobby, three apartments, a leasing office, and mechanical space.

Description of Affordability Mix. Twenty-five percent of the units (23 units) will be income restricted for households earning up to 80% of the Area Median Income (“AMI”). The remaining units will be unrestricted market rate apartments.

The Development received a comprehensive permit through the process outlined in Chapter 40B of the Massachusetts General Law and is subject to associated requirements; MassHousing is the subsidizing 40B agency of this property.

Site Control. The Sponsor has site control through a purchase and sale agreement with the seller, Falconi Companies.

Priority Screening Criterion. The project was screened for BILD eligibility on a wide range of factors (e.g. readiness and eligibility, project costs and investment efficiency, impact and additionality). Additional information about this criterion can be found in Exhibit 1.

5. Development Team

Sponsor/Equity Investor Entity: Adams Court Holdings, LLC

Mortgagor Entity: Adams Court Property Owner LLC

A sole-asset, single-purpose entity formed for the purpose of owning and operating the Development.

Developer / Co-Sponsor: Joseph J. Corcoran Company

Joseph J. Corcoran Company was founded by Joseph J. Corcoran in 2014 with a mission to build mixed-income housing across Massachusetts and beyond. Mr. Corcoran has been working in real estate since 1985, when he started working at Corcoran Jennison Companies as an assistant project director of development. Since then, Mr. Corcoran has been involved in the design, permitting, and construction of multiple apartment developments. He also has experience in the asset management of rental housing, ownership housing, resorts, golf courses, and commercial properties.

Co-Sponsor: Falconi Companies

Falconi Companies specializes in the development, leasing and management of residential, office and retail assets. The firm presently owns and manages more than 1,200 residential and commercial properties and continues to construct new homes across the South Shore. The Falconi Companies is a family-owned and operated firm that was founded in 1952 and is based in Milton. The firm will be an equity investor in the Development but will not have an active role during construction or operations.

Sponsor Entity: Adams Court Development LLC

The sponsor entity is comprised of Adams Court Manager LLC and RJDD, LLC, both of which will have a 50% ownership interest in the Sponsor Entity.

Adams Court Manager LLC will be the managing member and is managed by JJC Capital, LLC, an entity controlled by Joseph J. Corcoran.

RJDD, LLC, which is controlled by The Falconi Companies, will be a Member of the Sponsor Entity.

An organizational chart is included in Exhibit 3 to this proposal.

Equity Investors: Fidelity Management & Research Company

Fidelity Management & Research Company (FMR Co.) acts as the investment advisor to Fidelity Investments' family of mutual funds. FMR Co.

Syndicated Limited Partner Equity will be provided by a syndicate of accredited, high net worth investors.

Construction Lender: Metro Credit Union

Metro Credit Union is a not-for-profit financial cooperative that is owned by and operated for its members. Based in Melrose, the organization offers a wide range of low-cost financial products and services and is the largest state-chartered credit union in Massachusetts, with more than 220,000 members.

Architect: VMY Architects LLC

VMY Architects is a full-service architectural firm based in Needham. The company was originally established in 1930 and reorganized in its current form in 1979. The principals are V. Victors Vitols, Marquis Major, and Hiroshi Yoneyama. VMY was the architect on one development with Agency funding and two developments with funding from the Affordable Housing Trust Fund: The Preserve, Parc at Medfield (Affordable Housing Trust Fund), and Lydia Square Apartments (Affordable Housing Trust Fund).

General Contractor: Plumb House Inc.

Plumb House specializes in the construction of multi-family housing projects, which it has built across Massachusetts and Connecticut. The company was founded in 1973 and is based in Milford, CT. Plumb House has worked with military, municipal, private, and non-profit clients to complete over 23,000 apartment units. Plumb House is currently under review with Design and Construction as this will be its first project with MassHousing.

Management Company: Corcoran Management Co., Inc.

Corcoran Management Company, Inc. (“CMC”) is a division of John M. Corcoran and Company, a developer and builder of high-quality real estate. CMC has extensive experience managing a diverse portfolio of urban and suburban luxury housing. The portfolio includes market-rate, mixed-income, and affordable housing. Affordable programs managed include LIHTC, 40B, local, Section 8, IDP, and state and federal public housing. The current team at CMC has overseen the lease-up of more than 3,176 apartments in 21 properties over the past 15 years. CMC will be a third-party manager of the Development and is unaffiliated with the Sponsor.

6. MassHousing Staff

Origination	Brian Robinson, Originator Matt Deych, Analyst
Underwriting	Dan Staring, Underwriter Joe Bertolino, Underwriter
Asset Management	Dan Discenza, Portfolio Manager

7. Project Costs

Project Construction Costs	
Total Construction Cost	\$34,200,000
Gross Square Footage	133,176 GSF
Construction per Gross Square Foot	\$257 per GSF
Construction per Unit	\$371,739 per unit

8. Sources and Uses

Sources	Construction		Permanent	
		<i>per unit</i>		<i>per unit</i>
Metro Credit Union Construction	\$29,820,000	\$324,130		
Fidelity Equity	\$5,000,000	\$54,348		
FORGE Integrated Financing			\$29,820,000	\$324,130
Momentum Equity			\$5,000,000	\$54,348
Syndicated Limited Partner Equity	\$14,772,611	\$160,572	\$14,772,611	\$160,572
Falconi Companies Equity	\$1,315,000	\$14,293	\$1,315,000	\$14,293
Joseph J. Corcoran Equity	\$1,315,000	\$14,293	\$1,315,000	\$14,293
Total	\$52,222,611	\$567,637	\$52,222,611	\$567,637

Uses	Permanent	
		<i>per unit</i>
Acquisition	\$2,968,000	\$32,261
Construction	\$34,200,000	\$371,739
Contingency	\$1,665,000	\$18,098
General Development	\$11,140,791	\$121,096
Capitalized Reserves	\$2,248,820	\$24,444
Total	\$52,222,611	\$567,637

9. Estimated First Year Income and Expenses

Unit Type	# of Units	Avg SF	Rent	\$ / SF
Studio - 80% AMI	3	605	\$2,280	\$3.77
1 Bed, 1 Bath - 80% AMI	9	720	\$2,442	\$3.39
2 Bed, 2 Bath - 80% AMI	8	956	\$2,931	\$3.07
3 Bed, 2 Bath - 80% AMI	3	1,188	\$3,386	\$2.85
Affordable Units	23			
Studio	10	561	\$2,601	\$4.64
1 Bed, 1 Bath	21	692	\$3,270	\$4.72
One Bed, 1 Bath + Den	9	828	\$3,445	\$4.16
2 Bed, 2 Bath	19	980	\$4,422	\$4.51
2 Bed, 2 Bath + Den	3	1,151	\$5,045	\$4.38
3 Bed, 2 Bath	7	1,182	\$5,448	\$4.61
Market Units	69			

Income	
Gross Potential Residential Income	\$3,829,476
Vacancy 6.5%	(\$254,589)
Gross Residential Income	\$3,574,887
Other Income – Parking, Cable, and Other Misc	\$302,400
Effective Gross Income	\$3,877,287

Expenses	
Residential Operating Expenses	\$1,161,264

Net Operating Income	\$2,716,022
Cash Flow	\$542,477

Debt Service Coverage	1.25
Operating Expenses as a Percent of EGI	30.0%

10. Analysis

- Equity Sizing.** The Sources and Uses in this commitment proposal reflects a projected Momentum Equity investment amount of \$5,000,000. The Votes below allow for an “Up To” Momentum Equity amount of \$5,500,000. The final equity amount and preferred rate will be

set after Freddie Mac issues their loan commitment on the Loans and the interest rate on the Loans is locked.

2. **Transaction Structure.** The Sponsor will commence development activity funded with construction financing from Metro Credit Union as well as equity sources. Development equity sources include i. Sponsor contribution (\$2,630,000); ii. Syndicated Limited Partner Equity contribution (\$14,700,000 , with no individual contributing more than \$2,000,000); and iii. Fidelity Management Research Company LLC (“Fidelity”) contribution (\$5,000,000). Upon construction completion, the Momentum Equity (\$5,000,000) will come into the transaction and replace the Fidelity equity. Other equity contributions will stay in the transaction as permanent sources.
3. **Readiness to Proceed.** All local zoning approvals, site and demolition permitting approvals, general contractor services, and construction period financing sources have been secured. The construction permit drawings have been approved by the Town of Milton building inspector, but the Development is awaiting final approval from MassHousing of the 40B Comprehensive Permit which is necessary to secure the vertical building permit.
4. **Third Party Reports.** Under the BILD Program, Berkadia will commission all third-party reports as part of its diligence review. MassHousing will be an intended user of these reports and to the extent that any of the reports change the underwritten rents, loan-to-value, or replacement reserve deposits, the loan size may be adjusted accordingly as it pertains to the final Momentum Equity sizing.

5. **Coordination with the Loans.** The Momentum Equity investment, while it may occur earlier than the permanent closing of the Loans, is happening in conjunction with the Loans and may rely on the diligence and affordability requirements of the Loans, including the statutory findings made in the commitment proposal for the Loans, to satisfy the requirements of the Momentum Equity program. In addition, the Momentum Equity will require a sponsor guaranty. Since the Momentum Equity may close at construction completion, which is earlier than the Loans which will close at stabilization, the affordability requirements will need to be recorded at such time and all other diligence requirements met.

Residences at East Milton VOTES

PROPOSALS AND VOTES

Momentum Equity

Staff has reviewed the proposal for momentum equity financing and proposes the following vote for approval by the Agency:

VOTED: To approve and authorize an investment of Momentum Equity in an approximate amount of \$5,000,000, subject to the limitation that the final amount of such investment shall not be more than \$5,500,000, to a to-be-determined single-purpose entity, jointly controlled by a MassHousing affiliate entity and an entity controlled by Joseph J. Corcoran and Falconi Companies such that MassHousing will hold a preferred equity investment in the multifamily residential development known as “Residences at East Milton” (the “Development”) and located in Milton, Massachusetts, and in accordance with the requirements of the Momentum Equity program and any requirements related to such program (including such documentation as the General Counsel may require), the delegations of authority previously approved, and further subject to (1) compliance with all applicable laws and all regulations and requirements of applicable financing programs..

MAP AND PICTURES

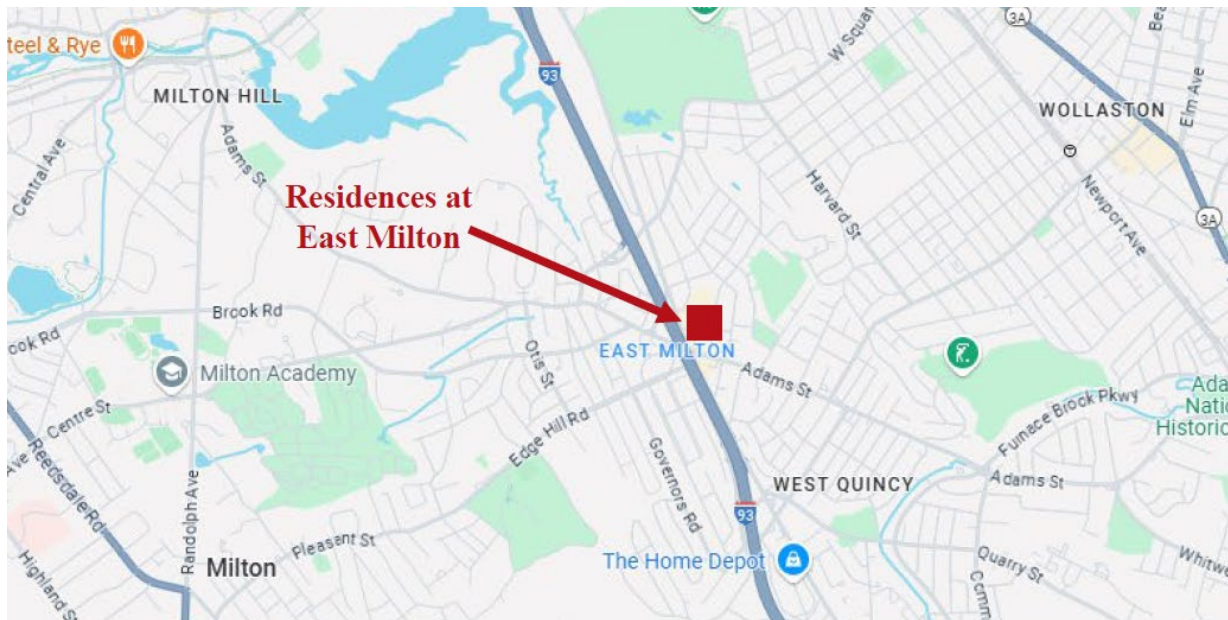


EXHIBIT 1

Priority Screening Criterion

1. Readiness and Eligibility

- a. **Project Readiness.** The Developer secured the necessary local zoning and permitting approvals, completed construction drawings and retained general contractor with a firm construction bid proposal, identified construction period financing sources and assembled the entire development team.
- b. **Completeness of Submission.** The Developer has provided all requested preliminary due diligence materials related to project information, development plans and related reports, and sponsor/principal information.
- c. **Affordability Level Eligibility.** Twenty-three (23) units (or 25% of the total units) will be affordable restricted at 80% of the AMI.

2. Project Costs & Investment Efficiency

- a. **Cost Efficiency (Units per Dollar).** The total development cost is \$52,222,611 which is approximately \$567k per unit.
- b. **Investment Efficiency (Size of Ask).** The investment level of Momentum Equity in the project represents 24.6% of the project's total equity.

3. Impact and Additionality

- a. **Local Impact on Housing Opportunity**
The Residences at East Milton will be the Town of Milton's first multi-family development in nearly 15 years and first-ever multifamily project of this scale. The project's 23 income-restricted units represent a 3.07% increase to the Town of Milton's affordable housing stock.
- b. **Additionality of Investment ("but for")**
Without the investment of Momentum Equity in this transaction, the project will incur \$3,705,329 in additional carrying costs and have an overall project IRR of approximately 6.00% over a 10-year term. With the investment of Momentum Equity as part of the project's financing structure, the project does not incur any excessive cash financing costs and will be able to generate an overall project IRR of 6.92% over a 10-year term, which is an improvement by 15%.

In addition, with Momentum Equity, the cash-on-cash return improves by 25.6% (5.06% vs. 4.06%) because of the lower debt service burden to the project. The project's multiple on equity (1.96% vs. 1.45%) improves by 35%, creating more net profit and less expenditures to debt service, thereby providing a stronger return to the project investors. These stronger returns were necessary to ensure the commitment of these investors to the project; otherwise, the project would not

been able to secure the necessary equity capital financing to have a viable financing plan.

c. Diversity & Inclusion

The project's design team consist of several professional firms, one of which is a WBE-owned design interior and the other is a WBE-owned landscape design firm.

d. Climate Alignment

The project is designed to a Stretch Energy Code requirement with focus on energy conservation, and will also provide transit screens to encourage multimodal, environmental-friendly transportation usage.

EXHIBIT 2
FORGE Loan Proposal

Subordinate Loan Commitment Proposal | April 8, 2025

Residences at East Milton

1. General Project Information	
Project Name	Residences at East Milton
Project ID	#25-003
Associated Projects	N/A
Address(es)	4 Franklin Street, Milton
Sponsors	Joseph J. Corcoran Company The Falconi Companies
Transaction Type	Production
Funding Type	Forward Commitment of a Subordinate Loan
Execution Type	FORGE (Taxable)
Credit Enhancement	None
Approval Type	Board
Total Rental Units	92
Affordability Mix	23 Affordable 69 Market

2. Recommended Actions

- Commitment of a Subordinate Loan

The proposed financing will support the construction of the Residences at East Milton (the “Development”), a 92-unit mixed-income community located in Milton. A joint venture of Joseph J. Corcoran Company and The Falconi Companies (the “Sponsor”) is the Developer. The financing will leverage the Agency’s Bringing Innovation to Lending and Development (“BILD”) program including permanent debt with a Financing Options for Residential Growth and Expansion (“FORGE”) Loan and Momentum Equity. This proposal is for commitment of the Subordinate Loan (as defined below), and the request for Momentum Equity will be made through a separate proposal.

The proposed FORGE Loan financing will utilize MassHousing’s arrangement with Berkadia Commercial Mortgage LLC (“Berkadia”), which allows sponsors to access an integrated debt financing package through the Federal Home Loan Mortgage Corporation (“Freddie Mac”). Freddie Mac lending includes a risk sharing element, a concept which is also seen in HUD’s Federal Housing Administration (“FHA”) and Federal Financing Bank (“FFB”) Risk-Sharing Initiatives, in which MassHousing participates extensively. In the Freddie Mac structure, a lending partner purchases a 10% top loss tranche of the loan (generally referred to as the “B Piece”), allows Freddie Mac to structure bonds as Triple-A (“AAA”) securities and therefore to offer favorable interest rates to borrowers.

Under the Agency’s arrangement with Berkadia, MassHousing plays the role of the B Piece purchaser. However, rather than purchase a tranche of the Freddie Mac loan, the Agency has opted to make a subordinate loan of up to 10% of the total supportable loan amount.

The resulting integrated permanent financing package will then consist of a Freddie Mac first mortgage loan (“First Mortgage Loan”) and a coterminous subordinate second mortgage loan from MassHousing (the “Subordinate Loan” and together with the First Mortgage Loan, the “Loans”). The Loans will fund the senior debt obligations at no more than 80% combined Loan-to-Value (“LTV”) and no less than a combined 1.25 Debt Service Coverage Ratio (“DSCR”).

3. Financing	
First Mortgage Loan	
Type	Taxable Freddie Mac Loan
Loan Amount	\$26,838,000
Interest Rate	6.60% projected, locked in advance of closing
Subordinate Loan	
Type	Taxable MassHousing Loan
Loan Amount	\$2,982,000
Interest Rate	8.60% projected, locked in advance of closing
Overall Financing Package	
Combined Loan Amount	\$29,820,000
Loan Term / Amortization	10 y / 40 y
Forward Term	Up to 36 months
Combined Year 1 DSCR	1.25 projected (1.25 minimum)
Combined LTV	60% projected (80% maximum)

MassHousing and Berkadia have entered into an Origination and Underwriting Agreement defining the relationship between MassHousing and Berkadia regarding the origination, underwriting, and closing of an integrated debt financing package. The financing package will include the First Mortgage Loan underwritten by Berkadia and funded through Freddie Mac and the Subordinate Loan underwritten and funded by MassHousing.

The First Mortgage Loan will meet a minimum 1.35 DSCR. Together with the Subordinate Loan, the Loans will meet a minimum combined 1.25 DSCR. This structure allows MassHousing to access a low-cost taxable permanent financing execution by committing up to 10% of the overall financing package. Because the Agency’s commitment is providing credit enhancement to Freddie Mac in the form of a first loss position, the Agency’s involvement allows for more favorable lending terms than Berkadia can offer to borrowers outside of the program, including a more competitive interest rate, up to 80% LTV and a favorably priced 36-

month forward commitment, reducing the overall cost of the financing and supporting the development of mixed-income housing.

Berkadia is responsible for ensuring that all applicable Freddie Mac requirements have been satisfied, and that Freddie Mac will determine the new First Mortgage Loan is an acceptable risk. MassHousing will independently underwrite the Subordinate Loan. With Sponsor's acceptance of commitment letters for the Loans, the financing package will advance to closing. There will be a single construction closing with coordination between MassHousing, Berkadia, the Sponsor, and the construction lender. Once the Development achieves stabilization, Freddie Mac and MassHousing will make the Loans to replace the construction loan.

4. Development Plan

Description of Site. The Development will be located on a 1.1-acre parcel located in East Milton Square, one block east of the Southeast Expressway (the "Site"). The Site is currently occupied by three vacant houses, a two-story commercial building, and a parking lot. East Milton Square offers a range of services, including restaurants, health care, a bank, and a gym. Access to the Southeast Expressway is half a mile away, and bus service located one block from the Site provides access to the Red Line at Ashmont Station.

Description of Existing or Proposed Building. The development plan involves demolition of the existing structures and the new construction of 92 residential units in a five-story wood-framed building with a concrete garage. There will be 70 garage parking spaces and 37 spaces on a raised parking deck. All of the parking spaces will be available to residents for a monthly fee. In addition to the parking deck, the first floor will contain a lobby, three apartments, a leasing office, a fitness room, and mechanical space.

Description of Affordability Mix. Twenty-five percent of the units (23 units) will be income restricted for households earning up to 80% of the Area Median Income ("AMI"). The remaining units will be unrestricted market rate apartments.

The Town of Milton approved a comprehensive permit under Chapter 40B for the Development in April 2022. MassHousing is the Chapter 40B subsidizing agency for the Development.

Site Control. The sponsor entity has site control through a purchase and sale agreement with the seller, Falconi Properties LLC, an affiliate of one of the co-sponsors.

5. Development Team

Sponsor/Equity Investor Entity:

Adams Court Holdings, LLC

Mortgagor Entity:

Adams Court Property Owner LLC

A sole-asset, single-purpose entity formed for the purpose of owning and operating the Development.

Developer / Co-Sponsor:

Joseph J. Corcoran Company

Joseph J. Corcoran Company was founded by Joseph J. Corcoran in 2014 with a mission to build mixed-income housing across Massachusetts and beyond. Mr. Corcoran has been working in real estate since 1985, when he started working at Corcoran Jennison Companies as an assistant project director of development. Since then, Mr. Corcoran has been involved in the design, permitting, and construction of multiple apartment developments. He also has experience in the asset management of rental housing, ownership housing, resorts, golf courses, and commercial properties.

Co-Sponsor:

Falconi Companies

The Falconi Companies specializes in the development, leasing and management of residential, office and retail assets. The firm presently owns and manages more than 1,200 residential and commercial properties and continues to construct new homes across the South Shore. The Falconi Companies is a family-owned and operated firm that was founded in 1952 and is based in Milton. The firm will be an equity investor in the Development but will not have an active role during construction or operations.

Sponsor Entity:

Adams Court Development LLC

The sponsor entity is comprised of Adams Court Manager LLC and RJDD, LLC, both of which will have a 50% ownership interest in the Sponsor Entity.

Adams Court Manager LLC will be the managing member and is managed by JJC Capital, LLC, an entity controlled by Joseph J. Corcoran.

RJDD, LLC, which is controlled by Falconi Companies, will be a Member of the Sponsor Entity.

Equity Investors:

Fidelity Management & Research Company

Fidelity Management & Research Company (FMR Co.) acts as the investment advisor to Fidelity Investments' family of mutual funds. FMR Co.

Syndicated Limited Partner Equity will be provided by a syndicate of accredited, high net worth investors.

Construction Lender: Metro Credit Union

Metro Credit Union (“MCU”) is a not-for-profit financial cooperative that is owned by and operated for its members. Based in Melrose, the organization offers a wide range of low-cost financial products and services and is the largest state-chartered credit union in Massachusetts, with more than 220,000 members.

The Sponsors selected MCU from a group of local lenders through a bid process managed by Newmark, the broker for the Development’s debt and equity. The Sponsors chose MCU due to the loan terms and its experience as construction lender for Ice House Condominiums, a 52-unit Chapter 40B condominium building in Milton that opened in 2024.

Management Company: Corcoran Management Co., Inc.

Corcoran Management Company, Inc. (“CMC”) is a division of John M. Corcoran and Company, a developer and builder of high-quality real estate. CMC has extensive experience managing a diverse portfolio of urban and suburban luxury housing. The portfolio includes market-rate, mixed-income, and affordable housing. Affordable programs managed include LIHTC, 40B, local, Section 8, IDP, and state and federal public housing. The current team at CMC has overseen the lease-up of more than 3,176 apartments in 21 properties over the past 15 years. CMC will be a third-party manager of the Development and is unaffiliated with the Sponsor.

Architect: VMY Architects LLC

VMY Architects is a full-service architectural firm based in Needham. The company was originally established in 1930 and reorganized in its current form in 1979. The principals are V. Vectors Vitols, Marquis Major, and Hiroshi Yoneyama. VMY was the architect on one development with Agency funding and two developments with funding from the Affordable Housing Trust Fund: The Preserve, Parc at Medfield (Affordable Housing Trust Fund), and Lydia Square Apartments (Affordable Housing Trust Fund).

General Contractor: Plumb House Inc.

Plumb House specializes in the construction of multi-family housing projects, which it has built across Massachusetts and Connecticut. The company was founded in 1973 and is based in Milford. Plumb House has worked with military, municipal, private, and non-profit clients to complete over 23,000 apartment units. Plumb House is currently under review by Design and Construction as this will be its first project with MassHousing.

6. Summary of MassHousing-Sponsor Relationship	
Number of Projects with MassHousing Debt	None
Total Units with MassHousing Debt	None
Outstanding MassHousing Principal Debt	\$0
Adverse Actions Against the Borrower Team	None
Current on Obligations with MassHousing	N/A
Property Management Affiliate	No

MassHousing Staff	
Origination	Jeff Geller, Originator Matt Deych, Analyst
Underwriting	Dan Staring, Underwriter Joe Bertolino, Underwriter
Asset Management	Dan Discenza, Portfolio Manager

7. Unit Mix

Unit Size	Total Units	80% of AMI*		Market**		Market w/ Den**	
		Count	Rent	Count	Rent	Count	Rent
0 BR	13	3	\$2,280	10	\$2,601	-	-
1 BR	39	9	\$2,442	21	\$3,270	9	\$3,445
2 BR	30	8	\$2,931	19	\$4,422	3	\$5,045
3 BR	10	3	\$3,386	7	\$5,448	-	-
Total	92	23		57		12	

*Net of utility allowances

**Market rents represent projections based on review of materials provided by Sponsor as well as available market comparable information. Underwritten rents will be reviewed and finalized upon receipt of appraisal commissioned as part of Berkadia's underwriting.

8. Operating Overview

Underwritten Operating Expenses	\$1,161,000 (approximately \$12,600 per unit)
---------------------------------	---

Basis of Operating Costs. Underwritten operating expenses are based on review of the Sponsor's proforma, Freddie Mac underwriting requirements, and review of available comparable data. Operating Expenses will be further refined through Berkadia's underwriting with Agency underwriting confirming the final operating expense budget in sizing of the Subordinate Loan.

All utilities at the Development will be sub-metered, including water usage, and will be paid by tenants. Utilities will be electric except for gas hot water heaters in each unit. The operating expenses include common area electrical and water and sewer costs. The 80% of AMI units include a utility allowance in the rent.

9. Project Costs

Project Construction Costs	
Total Construction Cost	\$34,200,000
Construction per Square Foot	\$257

10. Sources and Uses

Sources	Construction		Permanent	
		<i>per unit</i>		<i>per unit</i>
Metro Credit Union Construction	\$29,820,000	\$324,130		
Fidelity Equity	\$5,000,000	\$54,348		
First Mortgage Loan			\$26,838,000	\$291,717
Subordinate Mortgage Loan			\$2,982,000	\$32,413
Momentum Equity			\$5,000,000	\$54,348
Syndicated Limited Partner Equity	\$14,772,611	\$160,572	\$14,772,611	\$160,572
Falconi Companies Equity	\$1,315,000	\$14,293	\$1,315,000	\$14,293
Joseph J. Corcoran Equity	\$1,315,000	\$14,293	\$1,315,000	\$14,293
Total	\$52,222,611	\$567,637	\$52,222,611	\$567,637

Uses	Permanent	
		<i>per unit</i>
Acquisition	\$2,968,000	\$32,261
Construction	\$34,200,000	\$371,739
Contingency	\$1,665,000	\$18,098
General Development	\$11,140,791	\$121,096
Developer Overhead & Fee	\$2,248,820	\$24,444
Total	\$52,222,611	\$567,637

11. First Year Income and Expenses

Income		
Gross Potential Residential Income		\$3,829,476
Vacancy – Non-Rental Subsidy	6.5%	(\$254,589)
Gross Residential Income		\$3,574,887
Other Income – Parking/Cable/Misc.		\$302,400
Effective Gross Income		\$3,877,287

Expenses		
Residential Operating Expenses		\$1,161,264
Net Operating Income		\$2,716,022
Cash Flow		\$542,477

Combined Debt Service Coverage 1.25

Residential Operating Expense Detail			<i>Per Unit</i>
Management Fee	3.3%	\$128,800	\$1,400
Administrative Costs		\$243,716	\$2,649
Maintenance Costs		\$138,000	\$1,500
Utilities: Electricity, gas, water & sewer		\$92,000	\$1,000
Real Estate Taxes		\$420,748	\$4,573
Insurance		\$115,000	\$1,250
Replacement Reserves		\$23,000	\$250
Total		\$1,161,264	\$12,622

Operating Expenses as a Percent of EGI 30.0%

12. Underwriting

1. **Loan Sizing.** The Sources and Uses and MassHousing Financing Summary in this commitment proposal reflect a Projected Subordinate Loan amount of \$2,982,000. The Votes below allow for an “Up To” Loan amount of \$4,025,000. The final loan amount will be set after Freddie Mac issues their loan commitment and the interest rate is locked, such that the combined debt service coverage ratio as well as loan to value benchmarks will be met and the Subordinate Loan will be no greater than 10% of the Loans.

To the extent that the final subordinate loan amount is greater or less than \$2,982,000, MassHousing will confirm that other sources will be adjusted as necessary to maintain a balanced sources and uses.

2. **Transaction Structure.** The Sponsor will commence development activity funded with construction financing from Metro Credit Union as well as equity sources. Development equity sources include i. Sponsor contribution (\$2,630,000); ii. Syndicated Limited Partner Equity contribution (\$14,700,000, with no individual contributing more than \$2,000,000); and iii. Fidelity Management Research Company LLC (“Fidelity”) contribution (\$5,000,000). Upon construction completion, the Momentum Equity (\$5,000,000) will come into the transaction and replace the Fidelity equity. Other equity contributions will stay in the transaction as permanent sources.
3. **Third Party Reports.** Under the Origination and Underwriting Agreement between Berkadia and MassHousing, Berkadia will commission all third-party reports as part of its diligence review. MassHousing will be an intended user of these reports and to the extent that any of the reports change the underwritten rents, loan-to-value, or replacement reserve deposits, the loan size may be adjusted accordingly.

13. Low-Income Housing Tax Credits

N/A

Residences at East Milton VOTES AND FINDINGS

PROPOSALS AND VOTES

Mortgage Loan

Staff has reviewed the proposal for subordinate financing and proposes the following vote for approval by the Agency:

VOTED: To approve the findings and determinations set forth below and to authorize a permanent second mortgage loan in an approximate principal amount of \$2,982,000, or such other amount as evidenced in the Freddie Mac loan commitment, subject to the limitation that the final amount of such loan shall not be more than \$4,025,000 nor less than \$1,938,000, to be made to Adams Court Property Owner LLC or another single-purpose entity controlled by Joseph J. Corcoran Company and The Falconi Companies (the “Borrower”) as owner of the multifamily residential development known as “Residences at East Milton” (the “Development”) and located in Milton, Massachusetts, provided together with, and made subordinate to, a first mortgage loan to the Borrower by Freddie Mac, 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

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:

Twenty-three units (25%) 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

The market needs data reflects the information available to A&M staff as of the date of collection March 14, 2025. Further, the reader is cautioned and reminded that any observations, comparisons, and/or conclusions are based on the data as of the indicated collection date.

In-house data for larger market and mixed-income complexes (approximately 721 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 94.2%, and range between 92% and 96%. One of the comparables was offering one month free.

1st Qtr. 2025 CoStar data for the subject's Quincy/Milton/Randolph Multi-Family Submarket (13,054 units) has an overall vacancy rate at 5.5% YTD, which is a decrease of 2.58 % from one year ago. CoStar data for the Boston market (284,226 units) has an overall vacancy rate of 5.6% YTD, which is an increase of .05 % from one year ago. The Quincy/Milton/Randolph Multi-Family Submarket vacancy rate is projected to increase to 6.8% over the next five years, while the Boston market is projected to increase to 5.8%.

CoStar, submarket data for the 4-5 Star building type (5,650 units) indicates a 1st Qtr. 2025 vacancy rate of 6.0% and an average asking rent of \$2,919, while the submarket data for the subject's 3 Star building type (4,716 units) indicates a 1st Qtr. 2025 vacancy rate of 5.7% at an average asking rent of \$2,531 and 1-2 Star buildings (2,688 units) indicates a 1st Qtr. 2025 vacancy rate of 3.8 % at an average asking rent of \$2,034.5. 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 Executive Office of Housing and Livable Communities (EOHLC) Chapter 40B Subsidized Housing Inventory (06/29/23), the City of Milton 9,801 year-round housing units, 748 (7.63%) of which are subsidized for low/moderate income households.

The Milton Housing Authority (MHA) owns and operates State subsidized 39 one-bedroom units of senior/disabled housing. In addition, the Milton Housing Authority owns and operates State subsidized 12 family apartments, 10 three-bedroom and 2 two-bedroom, at scattered site

locations. The Milton Housing Authority also owns and leases out two group homes. Per the representative, they participate in the CHAMP (Common Housing Application for Massachusetts Programs). The representative was unable to provide me the wait list information.

MHA also administer 144 Section 8 Vouchers and MHA participates in the Centralized Section 8 waiting list and per the latest information available there are approximately 184,216 applicants are on the centralized waiting list.

U.S. Census data from the 2018-2023 American Community Survey (ACS) indicates that of the 9,139 households in the Town of Milton approximately 68.4% earned less than the HUD published 2024 AMI (\$148,900), approximately 27.6% earned less than 50% of 2024 AMI, approximately 36.3% earned less than 60% of the 2024 AMI, and approximately 56.8% earned less than 80% of the 2024 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 or 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	0 BR	1 BR	2 BR	3 BR
Number of Units	13	39	30	10
Net SF/Unit	526	687	935	1127
Elevator Y/N	Y	Y	Y	Y
Market Rate Rent (10% Rate 20 Year Term)	\$3,520	\$4,158	\$5,085	\$5,782
MHFA Below Market Rent (Cost-Based Rent)	\$2,493	\$3,071	\$3,999	\$4,696
MHFA Adjusted Rent	30% of 80% of AMI			
Underwriting Rents				
Market	\$2,601	\$3,270	\$4,422	\$5,448
Market + Den	-	\$3,445	\$5,045	-
80% of AMI	\$2,134	\$2,233	\$2,602	\$2,942

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.

MAP AND PICTURES

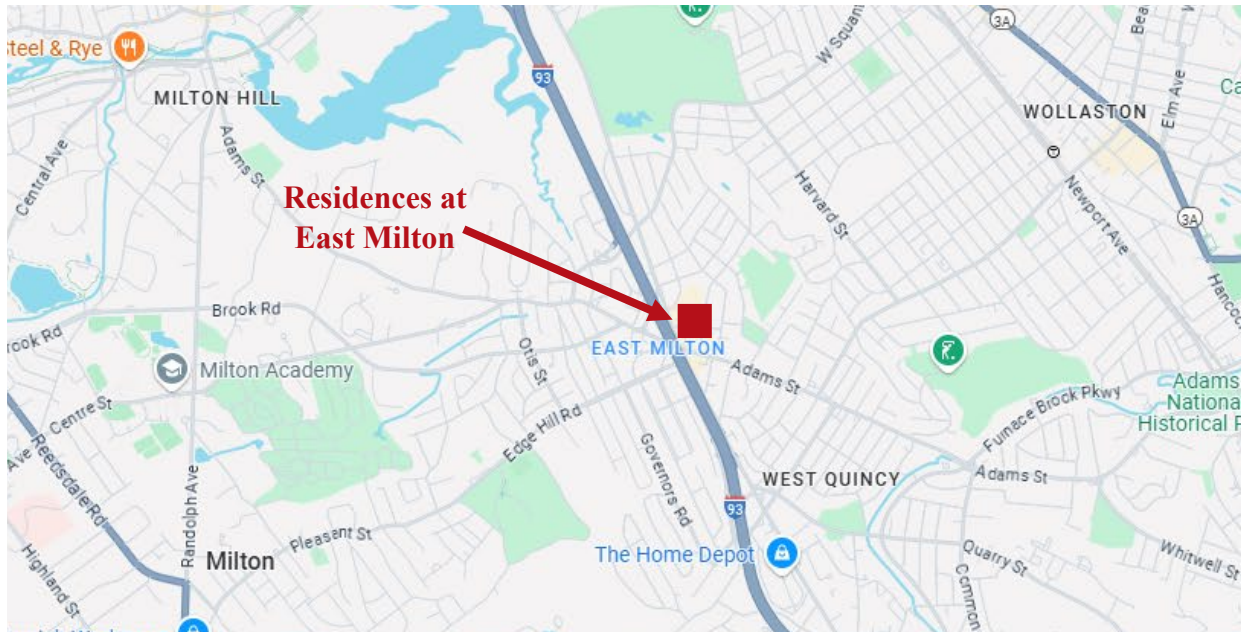


EXHIBIT 3

Organizational Entities Chart

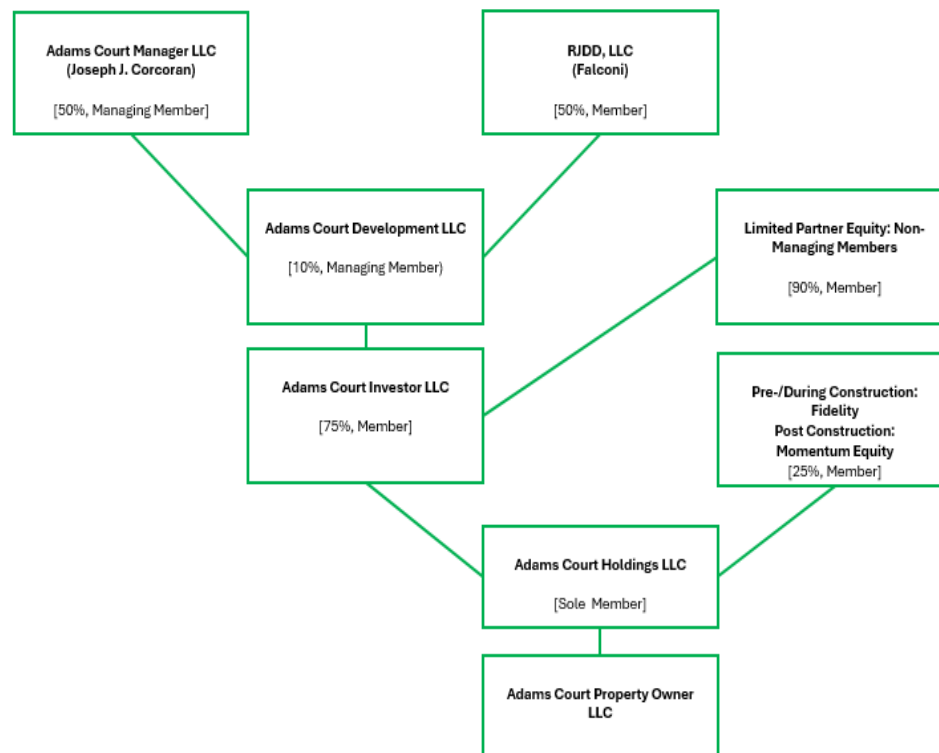


Exhibit 4
Glossary of Terms
Real Estate Investment Metrics

Capitalization Rate - potential rate of return on an income-producing property, calculated by dividing its annual net operating income (NOI) by its current market value.

Common Equity Investment – total equity invested from sponsor and equity investor third parties

Multiple on Equity ("deal/project multiple") – number of times the common equity gets their equity returned, where a 1.0x multiple is breakeven

IRR ("deal/project IRR") – the time-weighted average compounded annual rate at which the common equity investment grows

Momentum Equity IRR – the time-weighted average compounded annual rate at which the Momentum Equity investment grows

Project Cash-on-Cash – the rate of return that measures how much cash has been earned based on the initial cash investment

Supplemental Information Memorandum
Momentum Equity Commitment Proposal | April 8, 2025

Residences at East Milton

1. General Project Information

Project Name	The Residences at East Milton
Project ID	25-003
Associated Projects	N/A
Address(es)	4 Franklin Street, Milton
Sponsor	Joseph J. Corcoran Company and Falconi Companies
Transaction Type	Production
Funding Type	Equity
Execution Type	Momentum Equity
Approval Type	Board
Total Rental Units	92
Affordability Mix	23 Affordable 69 Market

2. Intent of Memorandum

On March 28, 2025, the BILD Investment Advisory Committee convened and reviewed the Momentum Equity Commitment Proposal for a \$5,000,000 investment in the Residences of East Milton development. The Committee requested additional information and this supplemental memorandum provides information in response to the following requested items from the Committee:

- Calculation of the Momentum Internal Rate of Return (IRR) – (Section 3)
- Common equity IRR – (Section 3)
- Common equity return multiple – (Section 3)
- Pro forma development budget (including Developer Fee) – (Section 8)
- Detailed pro forma rent schedule – (Section 9)
- Unlevered return on cost and its comparison to the spot cap rate – (Section 3)
- Operating Expense Ratio – (Section 9)
- Summary of development strengths/risk and mitigating factors – (Section 9)

3. Financing	
Momentum Equity	
Type	Preferred Equity
Equity Investment Amount	\$5,000,000
Preferred Equity Return	10 Year Treasury Rate + 200bps (currently 6.34%)
General Project Timing	
Analysis & Pre-Construction Start Date	3/1/2025
Estimated Land Closing Date	5/1/2025
Estimated Construction Start Date (Site)	5/1/2025
Estimated Construction End & Final CO Received	5/1/2027
Estimated Disbursement of Equity Installment	5/1/2027
Estimated Last Unit Leased	12/1/2027 (Month 32)
Financial Assumptions	
Negative Trending (annual)	2% revenue increase 3% expense increase
# of Units Pre-leased by 1 st CO	12 Units
Monthly Absorption Rate	15 units/month
Sale or Exit Timeframe	120 Months after Project Stabilization
Key Performance Indicators*	
Sale or Exit Capitalization Rate	5.00%**
Common Equity IRR	7.03%
	5.94% (if no Momentum Equity investment)
Common Equity – Multiple on Equity	2.15x
	2.02x (if no Momentum Equity investment)
Momentum Equity IRR	5.88%
Unlevered return on cash vs. spot cap rate	5.78% vs. 5.0%
Cash-on-Cash Return	5.29
	2.30 (if no Momentum Equity investment)

*All indicators defined in Exhibit 4 to the original commitment proposal.

** Staff reviewed 5 sales transactions of comparable properties in the greater Boston area and one each in Plymouth and Norton over the past 18 months. The cap rate of these properties ranges from 4.22-5.16%, supporting the proposed cap rate of 5% for this transaction.

Using our financial assumptions noted above and capitalization rate of 5%, the Common Equity IRR is 7.03% over a 13-year period (e.g. construction/lease-up: 36 months, permanent loan: 120 months).

Note: given the mission orientation of the Momentum Equity program, MassHousing designed the product with a concessionary cashflow provision where MassHousing will receive only our pro rata share of cashflow to satisfy our coupon payments and collect any resulting accrual upon sale or refinance. This benefit is designed to enhance the yield of and, therefore, be more attractive to the common equity sources.

The Momentum Equity IRR is 5.88%, which is based on actual and accrued coupon payments to preferred equity through the end of the loan term, as well as repayment of original equity investment at the refinancing/sale event.

Without the investment of Momentum Equity in this transaction, the project will incur approximately \$3.1million in additional carrying costs reducing the Common Equity IRR to 5.94%.

In addition, with Momentum Equity, the cash-on-cash return improves by 224 bps (5.29% vs. 2.30%) because of the lower debt service burden to the project. The Common Equity multiple on equity also improves from 2.02x to 2.25x. These stronger returns were integral to the sponsor attracting the equity capital required.

4. Development Plan

Description of Site. The Development will be located on a 1.1-acre parcel located in East Milton Square, one block east of the Southeast Expressway (the “Site”). The Site is currently occupied by three vacant houses, a two-story commercial building, and a parking lot. East Milton Square offers a range of services, including restaurants, health care, a bank, and a gym. Access to the Southeast Expressway is half a mile away, and bus service located one block from the Site provides access to the Red Line at Ashmont Station.

Description of Existing or Proposed Building. The development plan involves demolition of the existing structures and the new construction of 92 residential units in a five-story wood-framed building over one level, concrete podium. There will be 107 parking spaces, of which 70 are enclosed and 37 surface parking spaces. The first level will contain a lobby, three apartments, a leasing office, and mechanical space.

Description of Affordability Mix. Twenty-five percent of the units (23 units) will be income restricted for households earning up to 80% of the Area Median Income (“AMI”). The remaining units will be unrestricted market rate apartments.

The Development received a comprehensive permit through the process outlined in Chapter 40B of the Massachusetts General Law and is subject to associated requirements; MassHousing is the subsidizing 40B agency of this property.

Site Control. The Sponsor has site control through a purchase and sale agreement with the seller, Falconi Companies.

Priority Screening Criterion. The project was screened for BILD eligibility on a wide range of factors (e.g. readiness and eligibility, project costs and investment efficiency, impact and additionality). Additional information about this criterion can be found in Exhibit 1 to the original commitment proposal.

5. Development Team

Sponsor/Equity Investor Entity: Adams Court Holdings, LLC

Mortgagor Entity: Adams Court Property Owner LLC

A sole-asset, single-purpose entity formed for the purpose of owning and operating the Development.

Developer / Co-Sponsor: Joseph J. Corcoran Company

Joseph J. Corcoran Company was founded by Joseph J. Corcoran in 2014 with a mission to build mixed-income housing across Massachusetts and beyond. Mr. Corcoran has been working in real estate since 1985, when he started working at Corcoran Jennison Companies as an assistant project director of development. Since then, Mr. Corcoran has been involved in the design, permitting, and construction of multiple apartment developments. He also has experience in the asset management of rental housing, ownership housing, resorts, golf courses, and commercial properties.

Co-Sponsor: Falconi Companies

Falconi Companies specializes in the development, leasing and management of residential, office and retail assets. The firm presently owns and manages more than 1,200 residential and commercial properties and continues to construct new homes across the South Shore. The Falconi Companies is a family-owned and operated firm that was founded in 1952 and is based in Milton. The firm will be an equity investor in the Development but will not have an active role during construction or operations.

Sponsor Entity: Adams Court Development LLC

The sponsor entity is comprised of Adams Court Manager LLC and RJDD, LLC, both of which will have a 50% ownership interest in the Sponsor Entity.

Adams Court Manager LLC will be the managing member and is managed by JJC Capital, LLC, an entity controlled by Joseph J. Corcoran.

RJDD, LLC, which is controlled by The Falconi Companies, will be a Member of the Sponsor Entity.

An organizational chart is included in Exhibit 3 to the original commitment proposal.

Equity Investors: Fidelity Management & Research Company

Fidelity Management & Research Company (FMR Co.) acts as the investment advisor to Fidelity Investments' family of mutual funds. FMR Co.

Syndicated Limited Partner Equity will be provided by a syndicate of accredited, high net worth investors.

Construction Lender: Metro Credit Union

Metro Credit Union is a not-for-profit financial cooperative that is owned by and operated for its members. Based in Melrose, the organization offers a wide range of low-cost financial products and services and is the largest state-chartered credit union in Massachusetts, with more than 220,000 members.

Architect: VMY Architects LLC

VMY Architects is a full-service architectural firm based in Needham. The company was originally established in 1930 and reorganized in its current form in 1979. The principals are V. Victors Vitols, Marquis Major, and Hiroshi Yoneyama. VMY was the architect on one development with Agency funding and two developments with funding from the Affordable Housing Trust Fund: The Preserve, Parc at Medfield (Affordable Housing Trust Fund), and Lydia Square Apartments (Affordable Housing Trust Fund).

General Contractor: Plumb House Inc.

Plumb House specializes in the construction of multi-family housing projects, which it has built across Massachusetts and Connecticut. The company was founded in 1973 and is based in Milford, CT. Plumb House has worked with military, municipal, private, and non-profit clients to complete over 23,000 apartment units. Plumb House is currently under review with Design and Construction as this will be its first project with MassHousing.

Management Company: Corcoran Management Co., Inc.

Corcoran Management Company, Inc. (“CMC”) is a division of John M. Corcoran and Company, a developer and builder of high-quality real estate. CMC has extensive experience managing a diverse portfolio of urban and suburban luxury housing. The portfolio includes market-rate, mixed-income, and affordable housing. Affordable programs managed include LIHTC, 40B, local, Section 8, IDP, and state and federal public housing. The current team at CMC has overseen the lease-up of more than 3,176 apartments in 21 properties over the past 15 years. CMC will be a third-party manager of the Development and is unaffiliated with the Sponsor.

6. MassHousing Staff

Origination	Brian Robinson, Originator Matt Deych, Analyst
Underwriting	Dan Staring, Underwriter Joe Bertolino, Underwriter
Asset Management	Dan Discenza, Portfolio Manager

7. Project Costs

Project Construction Costs	
Total Construction Cost	\$34,200,000
Gross Square Footage	133,176 GSF
Construction per Gross Square Foot	\$257 per GSF
Construction per Unit	\$371,739 per unit

8. Sources and Uses

Sources	Construction		Permanent	
		<i>per unit</i>		<i>per unit</i>
Metro Credit Union Construction	\$29,820,000	\$324,130		
Fidelity Equity	\$5,000,000	\$54,348		
FORGE Integrated Financing			\$29,820,000	\$324,130
Momentum Equity			\$5,000,000	\$54,348
Syndicated Limited Partner Equity	\$14,772,611	\$160,572	\$14,772,611	\$160,572
Falconi Companies Equity	\$1,315,000	\$14,293	\$1,315,000	\$14,293
Joseph J. Corcoran Equity	\$1,315,000	\$14,293	\$1,315,000	\$14,293
Total	\$52,222,611	\$567,637	\$52,222,611	\$567,637

Uses	Permanent	
		<i>per unit</i>
Acquisition	\$2,968,000	\$32,261
Construction	\$34,200,000	\$371,739
Contingency	\$1,665,000	\$18,098
General Development	\$11,140,791	\$121,096
Developer Fee	\$2,248,820	\$24,444
Total	\$52,222,611	\$567,637

9. Estimated First Year Income and Expenses

Unit Type	# of Units	Avg SF	Rent	\$ / SF
Studio - 80% AMI	3	605	\$2,280	\$3.77
1 Bed - 80% AMI	9	720	\$2,442	\$3.39
2 Bed - 80% AMI	8	956	\$2,931	\$3.07
3 Bed - 80% AMI	3	1,188	\$3,386	\$2.85
Affordable Units	23	848	\$2,714	\$3.26
Studio	10	561	\$2,601	\$4.64
1 Bed	21	692	\$3,270	\$4.72
1 Bed + Den	9	828	\$3,445	\$4.16
2 Bed	19	980	\$4,422	\$4.51
2 Bed + Den	3	1,151	\$5,045	\$4.38
3 Bed	7	1,182	\$5,448	\$4.61
Market Units	69	825	\$3,811	\$4.55
Total / Average	92	842	\$3,337	\$4.20

Market Comparables	Avg SF	Avg Rent	Avg \$/SF
Studio	544	2,573	\$4.73
1 Bed	871	2,998	\$3.44
2 Bed	1,216	4,371	\$3.59
3 Bed	1,621	5,816	\$3.59

Income	
Gross Potential Residential Income	\$3,829,476
Vacancy 6.5%	(\$254,589)
Gross Residential Income	\$3,574,887
Other Income – Parking, Cable, and Other Misc	\$302,400
Effective Gross Income	\$3,877,287

Expenses	
Residential Operating Expenses	\$1,161,264

Net Operating Income	\$2,716,022
Cash Flow	\$542,477

Debt Service Coverage	1.25
Operating Expenses as a Percent of EGI	30.0%

Market Rent Analysis:

There has been essentially no new multifamily development in the Town of Milton over the past 10 years. As a result, comparable market data is derived from properties mainly in the greater Boston area, and may not capture data-specific information relevant to the subject community. Upon review of market rent comparable of properties in the surrounding Boston area, the subject property's pro forma rents appear to be, on average, 2-9% higher on a per unit basis and 25-30% higher on a per square foot basis. The sponsor believes the lack of comparable product, the development's transit orientation and unit design and the overall desirability of Milton will allow the development to achieve their projected levels.

While our preliminary due diligence does not support these rents, the market study and appraisal for the Forge loan are still in process. Should that data not support the pro forma rents and the senior debt amount reduced, the resulting gap will be filled by the sponsor and not the Momentum Equity program, ensuring our projected return of capital. Alternatively, if any potential gap is too large, it is unlikely the sponsor would proceed with the development, and MassHousing would move on to another opportunity.

Operating Expense / Unit

The subject property is projected to be at an operating expense level of \$12,622/unit. Based on recent operating expense data compiled by MassHousing on 160 LIHTC-managed properties in the Greater Boston Area, the average operating expense of these properties is \$14,000/unit, excluding the reserve deposit. LIHTC properties typically operate at higher expense levels than market properties, so staff is comfortable with the pro forma estimates.

Developer Fee

The proposed developer fee is \$2.3 million, just under the sponsoring entities cash equity of \$2.6 million. The draw schedule for the fee is proposed to be in equal installments for the 36-month development period. Both the construction lender and common equity have agreed to this arrangement.

Though the fee is at market and will be paid out by the permanent loan conversion, Corcoran and Falconi interests will still have significant, unrecovered costs from carrying the deal for the past 5 years to serve as incentive for continued performance as managing members.

Given the other parties have already consented and the sponsor will still have significant "sunk costs," MassHousing intends to consent to this arrangement.

Development Strengths/Risks and Mitigating Factors

Development Strengths

- 1st mixed-income multifamily development in Milton in over 15 years; there is a very limited supply of this type of housing in this community.
- Excellent location that is centrally situated and easily accessible to major arteries, highways, and transit service.
- In close proximity to numerous retail/commercial establishments (e.g. restaurants, banks, grocery stores).

Project Risks/Mitigants

- Risk: Development is located on a tight site which may present challenges in the completion of the construction work in a timely manner.
- Mitigant: A very experienced development team and general contractor that is familiar working in this community and will be able to manage any potential issues related to the project construction activity.
- Risk: Underwritten project rents appear to be higher than the average market rents for the subject property.
- Mitigant: Very limited supply of current mixed-income, multifamily developments in this community surrounded by a number of desirable amenities will generate strong interest of potential renters to this property.

10. Analysis

1. **Equity Sizing.** The Sources and Uses in this commitment proposal reflect a projected Momentum Equity investment amount of \$5,000,000. The Votes below allow for an “Up To” Momentum Equity amount of \$5,500,000. The final equity amount and preferred rate will be set after Freddie Mac issues their loan commitment on the Loans and the interest rate on the Loans is locked.
2. **Transaction Structure.** The Sponsor will commence development activity funded with construction financing from Metro Credit Union as well as equity sources. Development equity sources include: i. Sponsor contribution (\$2,630,000); ii. Syndicated Limited Partner Equity contribution (\$14,700,000, with no individual contributing more than \$2,000,000); and iii. Fidelity Management Research Company LLC (“Fidelity”) contribution (\$5,000,000). Upon construction completion, the Momentum Equity (\$5,000,000) will come into the transaction and replace the Fidelity equity. Other equity contributions will stay in the transaction as permanent sources. As debt underwriting is finalized, both Preferred Equity and Common Equity investment amounts are subject to refinement; ultimately, Momentum Equity will remain approximately 25% of the Development’s total equity.

Commitment letters for the Loans will be finalized and executed prior to issuance of a commitment letter for Momentum Equity.

3. **Readiness to Proceed.** All local zoning approvals, site and demolition permitting approvals, general contractor services, and construction period financing sources have been secured. The construction permit drawings have been approved by the Town of Milton building inspector, but the Development is awaiting final approval from MassHousing of the 40B Comprehensive Permit which is necessary to secure the vertical building permit.
4. **Third Party Reports.** Under the BILD Program, Berkadia will commission all third-party reports as part of its diligence review. MassHousing will be an intended user of these reports and to the extent that any of the reports change the underwritten rents, loan-to-value, or replacement reserve deposits, the loan size may be adjusted accordingly as it pertains to the final Momentum Equity sizing.

Loan Commitment Proposal | April 8, 2025

Independence Manor II

1. General Project Information	
Project Name	Independence Manor II
Project ID	00-291
Associated Projects	N/A
Address(es)	53 Independence Avenue, Braintree, MA 02184
Sponsor	St. Francis of Assisi Residences at Braintree II, Inc.
Transaction Type	Preservation
Funding Type	Current (Permanent Only)
Execution Type	Taxable MAP JV 223(f)
Credit Enhancement	HUD-Insured with 1% credit risk
Approval Type	Board
Current MH Risk Rating	Financial: A Physical Condition: A Compliance: B
Post-Closing/Post-Rehab MH Risk Rating	Financial: A Physical Condition: A Compliance: B
Total Rental Units	50
Affordability Mix	50 Affordable

2. Recommended Actions

- Approval to accept assignment of a HUD-issued Firm Commitment for FHA insurance
- Commitment of a first mortgage loan (the “New Loan”)
- Approval to finance the New Loan through the issuance of a Ginnie Mae MBS

Independence Manor II (the “Development”) consists of 50 units for seniors and disabled residents in one building in Braintree. The Development is part of the larger Independence Manor senior citizens residence campus which includes Independence Manor I (95 units) and Independence Manor III (16 units). The proposed loan will provide funds to repay existing MassHousing debt, complete repairs, capitalize replacement reserves, pay transaction costs and provide equity to the owner.

3. MassHousing Financing

First Loan	
Type	Permanent
Loan Amount	\$9,914,000
Interest Rate	5.50% projected
Loan Term/Amortization	35 y / 35 y
Year 1 DSCR	1.11 projected (1.11 minimum)
LTV	67% projected (80% maximum)

4. Development Plan

Description of Site. The Development is located on a .93-acre site in Braintree. The Site is approximately 1.5 miles from both South Braintree Square and Quincy Center, which provide a range of services and amenities, including stores, restaurants, libraries, and Braintree Town Hall. MBTA buses stop at Independence Manor, with service to the Red Line at Quincy Adams station. The Development is adjacent to two other rental properties owned and managed by the Sponsor, 95-unit Independence Manor and 16-unit Independence Manor III.

Description of Existing or Proposed Building. Independence Manor II consists of a single five-story building with 50 one-bedroom units for residents aged 62 and older. Built in 1981 under HUD’s Section 202 loan program, the Development has received upgrades to major systems, fixtures, and appliances as needed. The building contains several physical accommodations designed to serve the age-restricted and disabled tenant population including handrails, elevators, and grab bars in bathrooms. The Development also features a community room, dining room, and craft room used by tenants to hold various social gatherings and wellness events.

Description of Affordability Mix. The Development benefits from a Project-Based Section 8 HAP Contract (the “Contract”) covering all 50 units, that commenced in August of 2006 and remains in effect through July 2026. In connection with the proposed refinance, the Borrower will terminate the existing Contract and execute a new Contract for 20 years under HUD’s Mark-Up-To-Market program. The new Contract will include a preservation tail equal to the remaining number of years on the current Contract (one), extending the affordability term until 2046.

At closing, the MassHousing Disposition Agreement will be recorded ahead of the mortgage and will require 20% (10) of the units to be set-aside for households earning up to 80% of AMI. The Disposition Agreement will survive foreclosure with a minimum term of 15 years.

Site Control. The Borrower has owned the Development since its completion in 1981.

Transaction Overview. Rockport Mortgage Corporation (“Rockport”) is requesting FHA mortgage insurance in the amount of \$9,914,000. Loan proceeds will be used to repay the outstanding MassHousing loan of \$2,225,813, fund \$335,862 of repairs, fully fund the replacement reserves, pay transaction costs, and fund an equity takeout of \$6,899,595.

MassHousing Debt. The Development is currently in the MassHousing portfolio with the following debt:

Loan	Funding Date	Interest Rate	Estimated Unpaid Balance at Closing
00-291-01	6/27/2007	6.51%	\$2,225,813

5. Borrower Team

Mortgagor Entity: Independence Manor II LLC

A sole-asset, single-purpose entity formed for the purpose of owning and operating Independence Manor II.

Developer / Sponsor: St. Francis of Assisi Residences at Braintree II, Inc.

St. Francis of Assisi Residences at Braintree II, Inc. is the non-profit Sole Member of Independence Manor II LLC.

MAP Lender Partner: Rockport Mortgage Corporation

MassHousing and Rockport Mortgage Corporation (the “MAP Lender Partner”) have entered into a Consultant Agreement (the “Agreement”) defining the relationship between MassHousing and the MAP Lender Partner regarding the origination, underwriting, and closing of FHA-insured loans. HUD consented to the Agreement and business relationship under a waiver granted to MassHousing on June 13, 2014 (the “HUD Waiver”). In agreeing to waive certain requirements of the Multifamily Accelerated Processing (“MAP”) Guide, including permitting MassHousing to refinance its balance sheet debt under the terms of the Agreement, HUD imposed certain restrictions prohibiting MassHousing’s involvement in the underwriting of the FHA-insured loan transactions to be made by MassHousing under such Agreement. Subsequent to MassHousing’s receipt of the HUD Waiver, the Members authorized the MAP/Ginnie Mae Multifamily Joint Venture Lending Initiative (the “Initiative”) on November 12, 2014.

Under the terms and conditions of the HUD Waiver, and in accordance with the Agency-approved Initiative guidelines and closing conditions, the MAP Lender Partner worked directly with the borrower to underwrite the new mortgage loan and apply to the local HUD office for FHA mortgage insurance. The MAP Lender Partner is responsible for ensuring that all applicable FHA and MAP requirements have been satisfied, and HUD will determine that the New Loan is an acceptable risk. MassHousing will rely solely on HUD’s determination that the new loan is an acceptable risk, and MassHousing has not and will not conduct any internal assessment to confirm this determination. MassHousing will enter into an agreement with the MAP Lender Partner to accept the assignment of the HUD Firm Commitment at loan closing, and MassHousing will, at closing, make the New Loan to the Borrower. MassHousing will issue a Ginnie Mae Mortgage-Backed Security (“MBS”) to fund the new loan.

Management Company: St. Francis of Assisi Residences at Braintree II, Inc.

The entire 160-unit Independence Manor campus, including the Development, has been managed by the owner since its inception. The Development has been kept in good condition during this time as evidenced by satisfactory physical, financial and compliance risk ratings.

6. Summary of MassHousing-Sponsor Relationship	
Number of Projects with MassHousing Debt	1
Total Units with MassHousing Debt	50
Outstanding MassHousing Principal Debt	\$2,225,813
Adverse Actions Against the Borrower Team	No
Current on Obligations with MassHousing	Yes
Property Management Affiliate	Yes. St. Francis of Assisi Residences at Braintree II owns and manages the Development.

MassHousing's involvement with the Independence Manor campus dates to 1974 when the Agency made a loan to the original 95-unit Independence Manor I through the 13A loan program. That loan matured in 2014, and Independence Manor I no longer has Agency financing. The daughter of the developer of the Independence Manor campus (Kathleen Barker) is the Executive Director of St. Francis of Assisi Residences at Braintree, Inc.

MassHousing Staff	
Origination	Jeff Geller, Originator Matt Deych, Analyst
Underwriting	John Collins, Underwriter Joseph Bertolino, Underwriter
Asset Management	Dan Discenza, Portfolio Manager Megan Delsignor, Asset Manager

7. Unit Mix

Unit Size	Total Units	Project-Based Section 8*		Market Comparison <i>Rent</i>
		<i>Count</i>	<i>Rent</i>	
1 BR	50	50	\$2,525	\$2,385
Total	50	50		

* Project-Based Section 8 rents are underwritten at the appraiser's estimated market rents, which are lower than the contract rents.

8. Operating Overview

See Section 11. First Year Income and Expenses

9. Project Costs

N/A

10. Sources and Uses

The Sources and Uses set forth in this memorandum are estimates based on the MAP Lender Partner application to HUD. HUD reserves the right to change these amounts prior to issuing its Firm Commitment, and the final Sources and Uses (including the final loan amount) will be determined by HUD and the MAP Lender Partner, subject to the limitation that the final amount of the New Loan shall not be more than \$13,383,900 nor less than \$6,444,100.

Sources		
New First Mortgage		\$9,914,000
Existing Reserves		\$741,060
Total:		\$10,655,060
Uses		
Existing Indebtedness – Including Prepayment Fee		\$2,225,813
Repairs		\$335,862
General Development		\$392,766
Capitalized Reserves		\$775,000
Ineligible Costs – 10% Non-Critical Repair Escrow		\$26,024
Equity Takeout		\$6,899,595
Total:		\$10,655,060

11. First Year Income and Expenses

Income		
Rental Income – Project-Based Rental Subsidy		\$1,431,000
Gross Potential Residential Income		\$1,431,000
Vacancy – Project-Based Rental Subsidy	3.0%	(\$43,086)
Gross Residential Income		\$1,387,914
Other Income – Laundry		\$5,200
Effective Gross Income		\$1,393,114
Expenses		
Residential Operating Expenses		\$655,709
Net Operating Income		\$737,405
Debt Service		(\$663,663)
Cash Flow		\$73,742

Debt Service Coverage	1.11x
Operating Expenses Per Unit	\$13,114

12. Analysis of Lender Narrative

Valuation: The appraiser’s concluded market value estimate of \$14,800,000 (\$296,000 per unit) represents a reconciliation between the income approach value of \$14,700,000 and the sales comparison value of \$14,900,000. The cost approach was determined not applicable due to the age and type of this property.

The income approach to value is based on the appraiser’s concluded capitalization rate of 5.00% and NOI of \$734,611. The requested loan amount of \$9,914,000 results in a 67% LTV against the concluded market value of \$14,800,000.

Repairs: Repairs total \$335,862 (\$6,717 per unit) and include modification of one non-compliant van accessible parking space, reconfiguration and installation of appliances in accessible units, installation of an emergency call system in each bedroom and bathroom, replacement of awning, removal of existing fuel tank, replacement of the roof, replacement of the generator, and repair and repaint of a bathroom ceiling in one unit.

Resident Services: Resident services at the Development total \$60,000 (\$1,200 per unit). The property has a resident service coordinator (“RSC”) which is shared by the entire 160-

unit community, of which 45% of their time is allocated towards the Development. The RSC is an integral part of the property management team and serves as a liaison between residents, property staff, community-based organizations, and government agencies. The RSC also makes resident specific referrals to resources such as health care providers, family support services, employment opportunities, and home health agencies.

Capitalized Reserves:

- Assurance of Completion Escrow in the amount of \$26,024 is equal to 10% of the non-critical repairs. MassHousing will monitor the non-critical repair work and administer the escrow on behalf of HUD. The Assurance of Completion Escrow will be released to the Borrower upon completion of all escrowed repair work. Completion of work is expected within 12 months of closing.
- Initial Deposit to Replacement Reserves in the amount of \$775,000, the amount needed to fully fund the replacement reserve in accordance with MAP Guide requirements.
- An equity holdback in the amount of \$1,000,000 will be held until the completion of repairs, at which time it will be released to the Borrower.

13. Low-Income Housing Tax Credits

N/A

Independence Manor II VOTES AND FINDINGS

PROPOSALS AND VOTES

Staff proposed the following votes for approval:

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 \$9,914,000 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 \$13,383,900 nor less than \$6,444,100 to Independence Manor II LLC (the “Borrower”) for Independence Manor II and (2) to make the FHA-insured first mortgage loan to the Borrower in the approximate amount of \$9,914,000 (the “New Loan”), subject to the limitation that the final amount of such loan shall not be more than \$13,383,900 nor less than \$6,444,100 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 duly authorized pursuant to the Government National Mortgage Association Resolution of Board of Directors and Certificate of Authorized Signatories approved by the Agency, 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 Independence Manor II.

STATUTORY FINDINGS AND DETERMINATIONS

Statutory Findings:

The Loan 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:

Fifty 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

The market needs data reflects the information available to A&M staff as of the date of collection March 17, 2025. Further, the reader is cautioned and reminded that any observations, comparisons, and/or conclusions are based on the data as of the indicated collection date.

In-house data for larger market and mixed-income complexes (approximately 1,178 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 96.3%, and range between 96% and 100%. None of the comparables were offering rental concessions.

CoStar data for the subject's Quincy/Milton/Randolph Submarket (13,054 units) has an overall vacancy rate at 5.4% YTD, which is a decrease of 2.62% from one year ago. CoStar data for the Boston market (284,622 units) has an overall vacancy rate of 5.6% YTD, which is a decrease of .06% from one year ago. The Quincy/Milton/Randolph Submarket vacancy rate is projected to increase to 6.7% over the next five years, while the Boston market is projected to increase to 5.8%.

CoStar, submarket data for the 4-5 Star building type (5,546 units) indicates 1st Qtr. 2025 vacancy rate of 6.0% and an average asking rent of \$2,931, while submarket data for the subject's 3 Star building type (4,716 units) indicates a 1st Qtr. 2025 vacancy rate of 5.8% at an average asking rent of \$2,533 and 1-2 Star buildings (2,688 units) indicates a 1st Qtr. 2025 vacancy rate of 3.8% at an average asking rent of \$2,036. 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 Executive Office of Housing and Livable Communities Chapter 40B Subsidized Housing Inventory (6/29/23), the Town of Braintree 15,036 year-round housing units, 1,399 (9.3%) of which are subsidized for low/moderate income households.

Further, the Braintree Housing Authority (BHA) owns and /or operates one State funded Elderly and disabled public housing development that has 104 one-bedroom units, and one State funded congregate housing development that has 15 studio units and (2) two-bedroom units. These units are for people 60 years or older and disabled people. The representative of BHA was not able to

give the number of applicants on the waiting list; however, she was able to provide estimated time on wait list by preference. The estimated wait times are as follows:

All veterans aged 60 and over is 2 years or less, Braintree Resident aged 60 and over 3 years or more, non-Braintree Resident aged 60 and over is 6 years or more, all veterans under age 60 is 5 years or more, Braintree Resident under age 60 is 6 years or more, and non-Braintree Resident under age 60 is 10 years or more.

BHA also administers 145 MRVP for Independence Manor, elderly only development. The estimated wait times for these MRVP are, 3 years or more for a Braintree resident and 5 years or more for a non-Braintree Resident aged 60 and over is 5 years or more.

BHA also own approximately 5 Chapter 705 family properties sites that are scattered throughout the town of Braintree. Two of the properties are 3-bedroom houses, one is a 4-bedroom house and two of the properties are duplexes with a one having a total of 4 bedrooms and the other having a total of 6 bedrooms. Per the representative from BHA, the wait list for this program is closed.

The BHA also administers 395 Section 8 Housing Vouchers and 85 Veterans Affairs Supportive Housing (VASH) vouchers. Per the Braintree Housing Authority, they participate in the centralized waiting list administered through the state and there are thousands on that list, but do not have specifics on the centralized list.

U.S. Census data from the 2018-2022 American Community Survey (ACS) indicates that of the 14,407 households in the City of Braintree, approximately 72.3% earned less than the HUD published 2024 AMI (\$148,900), approximately 35.9% earned less than 50% of 2024 AMI, approximately 44.7% earned less than 60% of the 2024 AMI and approximately 48% earned less than 62.2% of the 2024 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:

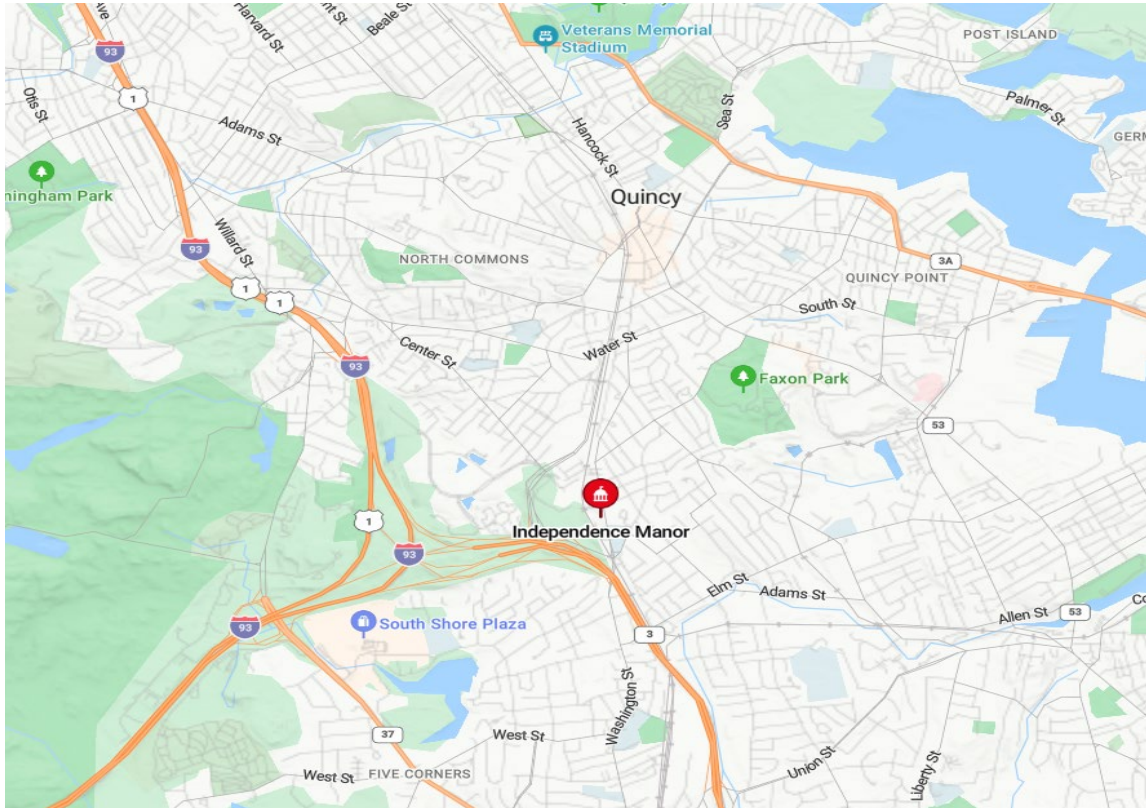
Pursuant to Section 6(a) of the Act, MassHousing makes the following rental determinations for units within the proposed Development:

Rent Schedule:

Number of Bedrooms	1
Number of Units	50
Net SF/Unit	525
Elev./Non-Elev.	Elev.
Market Rate Rent	\$3,193
MHFA Below Market Rent (Cost-Based Rent)	\$2,385
MHFA Adjusted Rent	30% of 80% of Area Median Income
Underwriting Rents Project Based Section 8	\$2,385

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.

MAP AND PICTURES



Loan Commitment Proposal | April 8, 2025

Independence Manor II

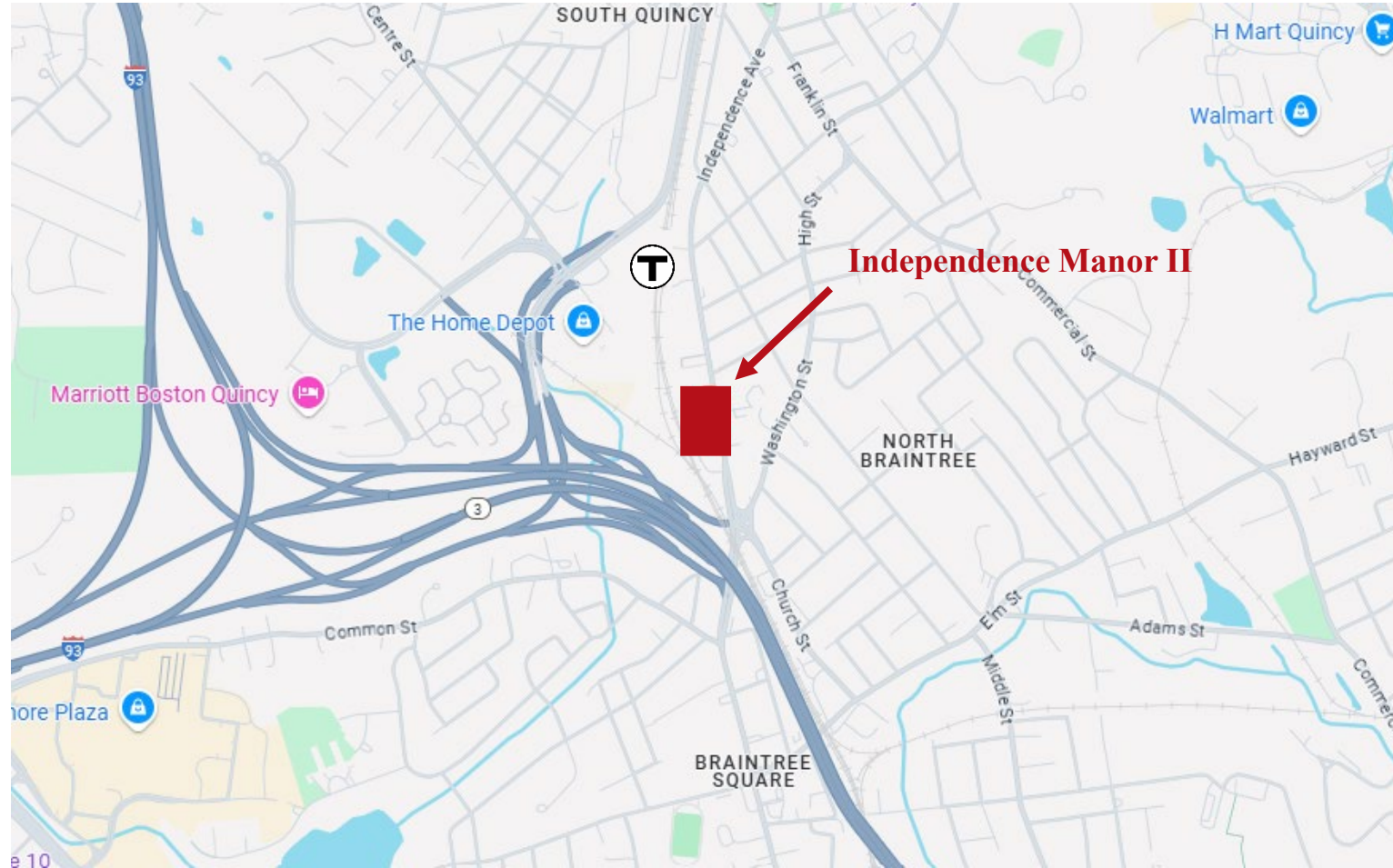


Location	53 Independence Avenue, Braintree, MA 02184
Sponsor	St. Francis of Assisi Residences at Braintree II, Inc.
Transaction Type	Preservation
Funding Type	Current (Permanent Only)
Execution Type	Taxable MAP JV 223 (f)
Credit Enhancement	HUD-Insured with 1% credit risk
MH Risk Rating	Financial: A Physical Condition: A Compliance: B
Total Rental Units	50
Affordability Mix	50 Affordable

Deal Team Members

Origination	Jeff Geller, Matt Deych
Underwriting	John Collins, Joe Bertolino
Asset Management	Dan Discenza, Piia DiMeco

Independence Manor II | Braintree



Borrower Team

Mortgagor Entity	Independence Manor II LLC
Developer / Sponsor	St. Francis of Assisi Residences at Braintree II, Inc.
MAP Lender Partner	Rockport Mortgage Corporation
Management Company	St. Francis of Assisi Residences at Braintree II, Inc.

Unit Mix

Unit Size	Total Units	Section 8 PBV		Market Comparison
		<i>Count</i>	<i>Rent</i>	
1 BR	50	50	\$2,525	\$2,385
Total	50	50		

* Project-Based Section 8 rents are underwritten at the appraiser's estimated market rents, which are lower than the contract rents.

Sources and Uses

Sources of Funds			Uses of Funds	
New First Mortgage	\$9,914,000		Existing Indebtedness – Including Prepayment Fee	\$2,225,813
Existing Reserves	\$741,060		Repairs	\$335,862
			General Development	\$392,766
			Capitalized Reserves	\$775,000
			Ineligible Costs – 10% Non-Critical Repair Escrow	\$26,024
			Equity Takeout	\$6,899,595
Total Sources	\$10,655,060		Total Uses	\$10,655,060

Lender Narrative Analysis

- Valuation
- Repairs
- Resident Services
- Capitalized Reserves

Recommended Votes

- Approval to accept assignment of a HUD-issued Firm Commitment for FHA insurance
- Commitment of a first mortgage loan (the “New Loan”)
- Approval to finance the New Loan through the issuance of a Ginnie Mae MBS

Loan Commitment Proposal | April 8, 2025

St. Botolph Apartments

1. General Project Information	
Project Name	St. Botolph Apartments
Project ID	18-020
Associated Projects	N/A
Address(es)	70 St. Botolph Street, Boston (Back Bay), MA 02116
Sponsor	Boston Housing Authority
Transaction Type	Preservation
Funding Type	Current (Construction/Permanent)
Execution Type	Taxable
Credit Enhancement	HUD/FHA Risk-Sharing with 50% credit risk
Approval Type	Board
Total Rental Units	132
Affordability Mix	131 Affordable 1 Non-Revenue

2. Recommended Actions

- Re-Commitment of Taxable Construction/Permanent Loan

The proposed financing will support the rehabilitation of St. Botolph Apartments (the “Development”), an existing 132-unit affordable housing community for the elderly and non-elderly disabled households owned by the Boston Housing Authority (the “BHA”). While the Development has received intermittent improvements and in-unit work conducted on a case-by-case basis at the time of unit turnover, St. Botolph has never undergone a comprehensive improvement since it was built in 1972.

The proposed transaction relies on a Rental Assistance Demonstration (“RAD”) conversion from a public housing model to a new project-based Section 8 contract that will cover the 131 tenant-occupied units at the Development.

The proposal was initially presented and approved by Agency Members in June 2023. During the closing process, several sub-contracts to the initial general contractor, Boston Building and Bridge Corporation, encountered cost-related issues and withdrew; ultimately, the initial general contractor also withdrew and the contract needed to be rebid. Shawmut Design and Construction was selected as the new general contractor.

At the same time, the initial architect, Tise Design Associates, was in the process of shuttering. The principal in charge of the Development moved to Baker Wohl Architects (“BWA”), and the Sponsor elected to sign a new contract with BWA.

3. MassHousing Financing

First Loan	
Type	Construction/Permanent
Loan Amount	Up To \$33,200,000
Interest Rate	10-Year U.S. Treasury plus 250 basis points (bps) to be locked at Construction Loan Closing (processing rate of 7.10% assumed for underwriting)
Loan Term / Amortization	43 y / 40 y
Junior Loan	
Type	Capital Magnet Fund
Loan Amount	\$630,000
Interest Rate	0.00% projected
Loan Term/Amortization	40 y, coterminous with First Mortgage Loan, non-amortizing

4. Development Plan

Description of Site. The Development is located on a 0.45-acre parcel (the “Site”) and is centrally located in the Back Bay neighborhood of Boston, adjacent to the Prudential MBTA station and within comfortable walking distance of multiple grocery stores and public amenities. The Site is approximately one mile from Boston Medical Center and Tufts Medical Center.

Description of Existing or Proposed Building. Originally constructed in 1972, St. Botolph Apartments comprises 132 units of public housing in an eight-story masonry building. The building also includes management offices and resident common spaces, including a community gathering space. An on-site parking lot at the rear of the building provides 13 off-street unassigned parking spaces available for residents and visitors.

The proposed renovation of the Development was designed to Passive House standards and will be 100% electric. The rehabilitation scope of work will include upgrades to the overall building (including a new roofing system, ADA upgrades, window and door replacements, sprinkler system upgrades, new HVAC system, masonry repointing and cleaning and groundwater recharge system), as well as renovations to individual dwelling units, and common areas. All utility expenses are paid by the Development.

Description of Affordability Mix. Of the 132 units, 131 will be subject to income restrictions with set-asides ranging from 50% of Area Median Income (“AMI”) to 60% of AMI. All 131 units will benefit from a Project-Based Voucher Section 8 HAP contract. There is one non-revenue unit occupied by a BHA custodial employee.

Site Control. The site is owned by the BHA, who will enter a 99-year ground lease of the property with the Mortgagor Entity.

5. Borrower Team

Mortgagor Entity: St. Botolph Housing Corporation

St. Botolph Housing Corporation is a sole-asset, single-purpose entity formed for the purpose of owning and operating St. Botolph.

Developer / Sponsor: Boston Housing Authority

The Boston Housing Authority (“BHA”) is a public agency of the city of Boston that owns and operates approximately 10,000 rental units of public housing in Boston and houses more than 17,000 people under public housing programs. The BHA owns 56 housing developments, of which 32 are designated as housing for seniors and residents with disabilities and 24 are designated for low-income families.

Management Company: Boston Housing Authority

The Boston Housing Authority will continue management of the Development. Historically, the BHA’s public housing properties that have been repositioned and redeveloped through RAD have been taken on by developer partners and managed by private management companies; however, the BHA plans to maintain management and oversight of St. Botolph and other properties that are rehabilitated through RAD and not comprehensively redeveloped.

Architect: BWA Architecture, Inc.

Established in 1995, BWA Architecture, Inc. (BWA) is a full-service architecture firm headquartered in Boston. The firm is a team of over 20 professionals, that provides full architectural services ranging from initial assessments through completion for various public housing agencies and private entities and has extensive experience in affordable housing.

General Contractor: Shawmut Design and Construction

Founded in 1982, Shawmut Design and Construction (“Shawmut”) is a 100% employee-owned company headquartered in Boston, with 11 offices nationwide. Shawmut most recently worked with MassHousing on 250 Centre Street, and has worked with the Cambridge Housing Authority on the Frank J. Manning Apartments and the Leonard J Russel Apartments Renovations

6. Summary of MassHousing-Sponsor Relationship	
Number of Projects with MassHousing Debt	2
Total Units with MassHousing Debt	471
Outstanding MassHousing Principal Debt	\$24,926,401
Adverse Actions Against the Borrower Team	No.
Current on Obligations with MassHousing	Yes.
Property Management Affiliate	Yes; The Boston Housing Authority's Management is limited to properties in the BHA's portfolio.

MassHousing Staff	
Origination	Amanda Melick, Originator Teddy Eleevia, Analyst
Underwriting	John Collins, Underwriter Caroline Dylag, Underwriter
Asset Management	Daniel Discenza, Portfolio Manager Xaviera Renrick, Asset Manager

7. Unit Mix

Unit Size	Total Units	Section 8		Employee Unit		Market Comparison
		<i>Count</i>	<i>Rent</i>	<i>Count</i>	<i>Rent</i>	<i>Rent</i>
0 BR	82	82	\$2,598			TBD
1 BR	47	47	\$3,718			TBD
2 BR	3	2	\$4,421	1	-	TBD
Total	132	131		1		

Project-Based Rental Subsidy	
Type	Section 8
Term	20 y
Administrator	Boston Housing Authority
Lesser of Market or Contract Rents	

8. Operating Overview

Underwritten Operating Expenses	\$1,966,200 (approximately \$14,900 per unit)
---------------------------------	---

Basis of Operating Costs. Borrower proposed budget and comparable properties in the MassHousing debt portfolio. The operating budget includes:

- Security costs at \$1,136/unit include the cost of one shift of a BHA Public Safety Officer (salary and benefits), a new modernized video intercom system allowing for the elimination of second and third shift security officers, and the pro-rated share of the BHA Police Officers expenses that will be billed to St. Botolph Apartments.
- Annual Deposits to Replacement Reserves at \$695/unit. This number is higher than MassHousing’s programmatic requirement and is based off of a 2023 Capital Needs Assessment commissioned by MassHousing (“CNA”) and is at the request of the borrower to minimize IDRR. The final amount will be subject to results of an updated CNA.

9. Project Costs

Core Residential Costs	
Base	\$54,277,500
Extraordinary	-
Total	\$54,277,500
Commercial, Site and Other Non-Residential Costs	
Commercial Costs	-
Site and Other Non-Residential Costs	-
Total	-
Total Development Cost	
Total	\$54,277,500
Project Construction Costs	
Total Construction Cost	\$37,967,759
Construction per Square Foot	\$416

10. Sources and Uses

Sources of Funds	Total
MH Permanent Loan	\$31,000,000
MH CMF	\$630,000
City of Boston Grant	\$6,000,000
MOH ARPA	\$4,000,000
BHA Funding	\$6,397,500
Cash Flow During Construction	\$2,500,000
Deferred Developer Fee	\$3,700,000
Total Sources	\$54,227,500

Core Residential Uses of Funds	Total	Per Unit
Acquisition	\$99	\$1
Construction	\$37,967,759	\$287,635
Construction Contingency	\$3,796,775	\$28,763
General Development	\$7,468,667	\$56,581
Replacement Reserves	\$54,200	\$411
Operating Reserves	\$1,240,000	\$9,394
Overhead	\$1,850,000	\$14,015
Fee	\$1,850,000	\$14,015
Total Residential Uses	\$54,227,500	\$410,814

Commercial Uses*	-
------------------	---

Site and Other Nonresidential Uses*	-
--	---

Total Uses	\$54,227,500
-------------------	---------------------

*Includes applicable hard costs, contingency, soft costs, overhead and fee.

11. First Year Income and Expenses

Income		
Rental Income – Project-Based Rental Subsidy		\$4,759,488
Vacancy – Project-Based Rental Subsidy	2.5%	(\$118,987)
Effective Gross Income		\$4,640,501

Expenses		
Residential Operating Expenses		\$1,966,200
Net Operating Income		\$2,674,301
Debt Service		(\$2,338,794)
Cash Flow		\$335,507

Debt Service Coverage 1.14

Residential Operating Expense Detail			<i>Per Unit</i>
Management Fee	6.0%	\$278,430	\$2,109
Administrative Costs		\$314,975	\$2,386
Maintenance Costs		\$461,180	\$3,494
Resident Services		\$115,000	\$871
Security		\$150,000	\$1,136
Utilities (water and sewer, hot water, electric)		\$319,415	\$2,420
Insurance		\$132,000	\$1,000
Taxes		\$26,000	\$197
Replacement Reserves		\$91,700	\$695
Mortgage Insurance Premium		\$77,500	\$587
Total		\$1,966,200	\$14,895

Operating Expenses as a Percent of EGI 42.4%

12. Underwriting

1. **Loan Sizing.** The Sources and Uses in this commitment proposal reflect a Projected Loan amount of \$31,000,000. The MassHousing Financing Summary in Section 3 above and the Votes below allow for an “Up To” Loan amount of \$33,200,000. The final loan amount will be set when the interest rate is locked at construction closing, such that MassHousing’s debt service coverage ratio and loan to value benchmarks will be met.

To the extent that the final loan amount is greater or less than \$31,000,000, MassHousing will confirm that other sources will be adjusted as necessary to maintain a balanced sources and uses.

2. **Capital Magnet Fund.** MassHousing is providing a \$630,000 subordinate loan that will be funded with Capital Magnet Funds (“CMF”). This is a non-amortizing loan due upon sale or refinancing of the Development. Approval of CMF loans are delegated to the Staff level and was approved on March 28, 2023.
3. **Mayor’s Office of Housing (“MOH”) American Rescue Plan Act (“ARPA”) Funding.** MOH has contributed \$43,100,000 of ARPA Funding to the BHA for BHA-led initiatives, including upgrades to its portfolio. The BHA has discretion regarding the projects which will receive the use of these funds. The BHA has allocated \$4,000,000 to St. Botolph Apartments.
4. **BHA Funding.** The BHA will provide funding using unrestricted cash funds available, currently projected at \$6,397,500. However, there is a \$1,000,000 allocation of funds for the Development included in the Affordable Homes Act passed by the State Legislature in 2024; to the extent that these funds are allocated and available to support the Development, the BHA contribution will be reduced by \$1,000,000. Similarly, if additional funding is needed from this source, the Sponsor has discretion to allocate more of the BHA funding to the Development.
5. **Deferred Developer Fee.** The BHA will be deferring all developer fee and overhead, and will not be taking a paid fee as part of the development budget. Post construction, deferred fee will be paid from cash flow and the BHA intends to use these funds to support subsequent transactions throughout their portfolio.
6. **Cash Flow During Construction.** Projected cash flow during the construction period is being applied as a source. The BHA has held units vacant in anticipation of the renovations. The cash flow during construction calculation considers that the building will not have full occupancy during construction. If there is any shortfall in cash flow, the BHA will increase their discretionary funds to the project.

7. **Ground Lease.** There is a one-time ground lease payment of \$99 included in the development budget. This is equal to \$1.00 per year across the life of the ground lease. A draft ground lease is under review by the BHA and MassHousing. This ground lease template has been used by the BHA in its other redevelopments.
8. **Payment in Lieu of Taxes (PILOT).** The property is exempt from local property taxation to the City of Boston. A PILOT agreement with the City requires that 10% of Tenant Rent Share less utilities is paid to the City at the end of each year in lieu of paying local taxes. Any payment to the City will occur prior to any payment of deferred developer fee to the BHA. There is no carry over year-to-year in the event that the BHA is unable to make the payment to the City. The PILOT agreement will remain in place for the full term of the ground lease.
9. **Relocation.** The on-site relocation will be done in four phases at an estimated cost of \$1,025,000 (or \$7,765 per unit), with the scattered vacant units on site serving as temporary “hotel” units during construction. The BHA has contracted with Housing Opportunities Unlimited (“HOU”) to provide comprehensive relocation services to residents. HOU has over thirty-eight years of experience providing relocation planning and implementation services, case management and resident services to the residents of over 200 assisted housing developments nationwide.
10. **Third-Party Reports.** The MassHousing commissioned appraisal and capital needs study are currently underway. To the extent that either report changes the underwritten rents, loan-to-value, or replacement reserve deposit amounts, the loan size may be adjusted accordingly.

Underwriting Criteria and Loan Terms	St. Botolph Apartments	Underwriting Standards
1. DSCR	1.14	Minimum of 1.10
2. Term/Amortization	43 y / 40 y	30-40 y, fully-amortizing
3. Loan to Value	TBD	Maximum of 90% based on third party "as-proposed" investment value
4. Underwriting Rents	Lesser of Project-Based Section 8 ("PBS8") contract or market supported rents	Lesser of: <ul style="list-style-type: none"> • PB-Rental Subsidy contract or market supported rents • Programmatic rent cap or rents supported by MassHousing market review.
5. Vacancy Allowance	PB-Section 8: 2.5%	Minimum of: <ul style="list-style-type: none"> • 2.5% for PB – Rental Subsidy • 3.0% for LIHTC • 5.0% for unrestricted or workforce housing
6. Affordability	20% at 50% of AMI	Minimum of: <ul style="list-style-type: none"> • 20% at 80% of AMI for MassHousing Statute • 40% at 60% or 20% at 50% of AMI for loans with FHA Insurance, HUD/FFB, Tax-Exempt Bond, and/or Federal LIHTC
7. Annual Deposits to Replacement Reserves	\$695 unit / year	Minimum of: <ul style="list-style-type: none"> • \$360 unit / year (new construction) • \$500 unit / year (rehab) <p>Note: Additional initial deposit to reserves may be required by the third-party CNA to fund twenty-year capital needs.</p>
8. Operating Expenses	Approximately \$14,900 unit / year	Typically, between \$11,000 and \$15,000 per unit.

13. Low-Income Housing Tax Credits

N/A

St. Botolph Apartments VOTES AND FINDINGS

PROPOSALS AND VOTES

Mortgage Loan

Staff has reviewed the proposal and proposes the following vote for approval:

- VOTED:** To approve the findings and determinations set forth below and to authorize a construction/permanent first mortgage loan in a principal amount of up to \$33,200,000, such first loan to be insured under the HUD HFA Risk Sharing Program, to be made to St. Botolph Housing Corporation or another single-purpose entity controlled by the Boston Housing Authority (the “Borrower”) as owner of the multifamily residential development known as “St. Botolph Apartments” (the “Development”) and located in Boston, 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: None.
- VOTED:** To authorize the Chief Executive Officer, the Chief Legal and Operating Officer 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 Chief Executive Officer, the Chief Legal and Operating Officer 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 her designee.
- VOTED:** That MassHousing authorizes the Chief Executive Officer or her designee to permit the owner and management agent of the Development to use as its tenant selection plan an Administrative Plan prepared and approved by Boston Housing Authority, subject to review and approval by MassHousing’s Senior Director of Rental Management.

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:

131 units (99%) 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

The market needs data reflects the information available to A&M staff as of the date of collection March 4, 2025. Further, the reader is cautioned and reminded that any observations, comparisons, and/or conclusions are based on the data as of the indicated collection date. In-house data for larger market and mixed-income complexes (approximately 1,898 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 95.6%, and range between 94% and 100%. One of the comparables was offering \$2,000 off 1st months’ rent.

1st Qtr. 2025 CoStar data for the subject’s Back Bay/South End Multi-Family Submarket (11,174 units) has an overall vacancy rate of 3.1% YTD, which is a decrease of 1.17% from one year ago. CoStar data for the Boston market (284,202 units) has an overall vacancy rate of 5.1% YTD, which is an increase of .04% from one year ago. The Back Bay/South End Multi-Family Submarket vacancy rate is projected to increase to 3.4% over the next five years, while the Boston market is projected to increase to 5.8%.

CoStar, submarket data for the 4-5 Star building type (4,785 units) indicates a 1st Qtr. 2025 vacancy rate of 3.6% and an average asking rent of \$4,545, while submarket data for the subject’s 3 Star building type (3,237 units) indicates a 1st Qtr. 2025 vacancy rate of 3.1% at an average asking rent of \$3,483 and 1-2 Star buildings (3,152 units) indicates a 1st Qtr. 2025 vacancy rate of 2.2% at an average asking rent of \$3,447. 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 Executive Office of Housing and Livable Communities (EOHLC) Chapter 40B Subsidized Housing Inventory (06/29/23), the City of Boston 299,238 year-round housing units, 57,443 (19.2%) of which are subsidized for low/moderate income households.

The Boston Housing Authority (BHA) owns and operates 27 family and 36 elderly/disabled developments with a total of 12,501 units. The BHA also administers 14,574 units of Leased Housing, consisting of 12,216 Housing Choice Vouchers, 1,441 Project Based and 198 Moderate Rehab. In addition, the City of Boston’s Annual Plan (FY2024) indicated that the BHA maintains the following wait lists: There are 7,724 households on the Leased Housing waiting list. This is

broken down by families with children, families with disabilities and elderly families. The BHA also had Single applicants on the waiting list. There were also instances of families that fit into more than one category. This waiting list has been closed since November 2008 and there are no plans to reopen at this time. The BHA also maintains a Public Housing Wait list with 28,703 applicants.

U.S. Census data from the 2018-2023 American Community Survey (ACS) indicates that of the 279,216 households in the City of Boston approximately 76.3% earned less than the HUD published 2024 AMI (\$148,900), approximately 45.1% earned less than 50% of 2024 AMI, approximately 52.4% earned less than 60% of the 2024 AMI, and approximately 67.7 % earned less than 80% of the 2024 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:

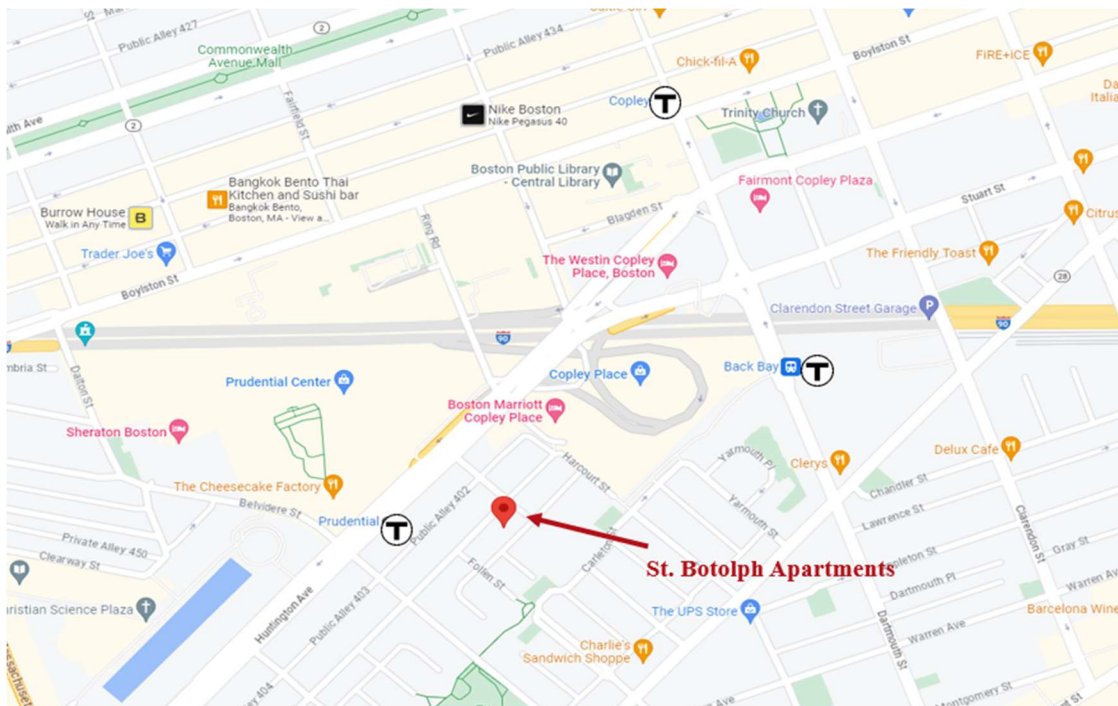
Pursuant to Section 6(a) of the Act, MassHousing makes the following rental determinations for units within the proposed Development:

Rent Schedule:

Number of Bedrooms	0	1	2
Number of Units	82	47	3
Net SF/Unit	425	560	980
Elev./Non-Elev.	E	E	E
Market Rate Rent (10% Rate 20 Yr. Term)	\$3,388	\$4,508	\$3,737
MHFA Below Market Rent (Cost-Based Rent)	\$2,598	\$3,718	\$2,947
MHFA Adjusted Rent	30% of 50% of Area Median Income		
Underwriting Rents			
New PBV Authority	\$2,598	\$3,718	\$4,421
Employee Unit	-	-	-

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.

MAP AND PICTURES



Loan Commitment Proposal | April 8, 2025

St. Botolph Apartments

Location	Boston – Back Bay
Sponsor	Boston Housing Authority
Transaction Type	Preservation
Funding Type	Current (Construction/Permanent)
Execution Type	Taxable
Credit Enhancement	HUD/FHA Risk-Sharing with 50% credit risk
Total Rental Units	132
Affordability Mix	131 Affordable 1 Non-Revenue

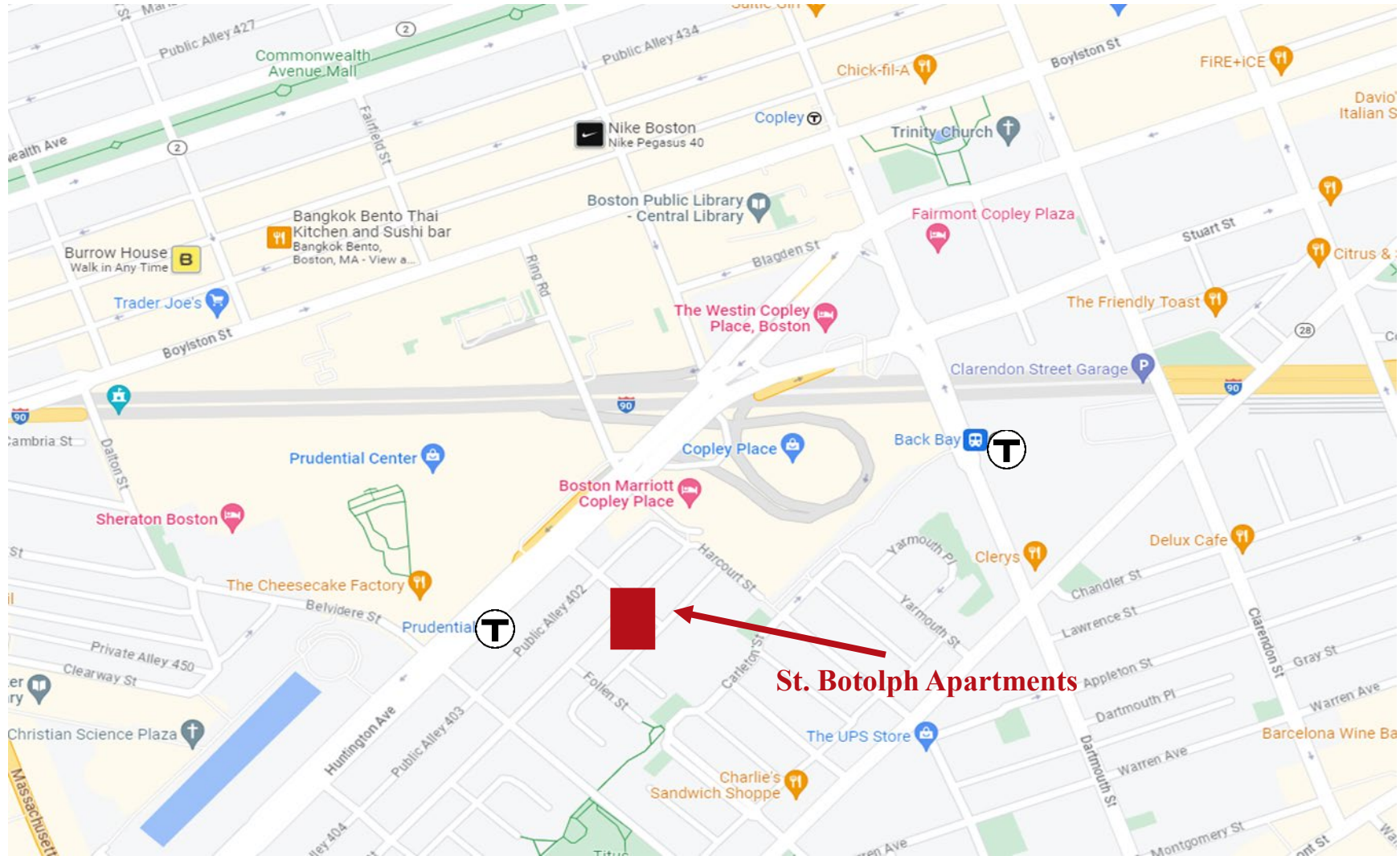


Deal Team Members

Origination	Amanda Melick, Teodora Eleevia
Underwriting	John Collins, Caroline Dylag
Asset Management	Daniel Discenza, Xaviera Renrick



St. Botolph Apartments | Boston – Back Bay



Borrower Team

Mortgagor Entity	St. Botolph Housing Corporation
Developer / Sponsor	Boston Housing Authority
Management Company	Boston Housing Authority
Architect	BWA Architecture, Inc.
General Contractor	Shawmut Design and Construction

Unit Mix

Unit Size	Total Units	Section 8		Employee Unit		Market Comparison
		<i>Count</i>	<i>Rent</i>	<i>Count</i>	<i>Rent</i>	
0 BR	82	82	\$2,598			TBD
1 BR	47	47	\$3,718			TBD
2 BR	3	2	\$4,421	1	-	TBD
Total	132	131		1		

Project Costs

Core Residential Costs	
Base	\$54,277,500
Extraordinary	-
Total	\$54,277,500
Commercial and Non-Residential Costs	
Commercial Costs	-
Site and Other Non-Residential Costs	-
Total	-
Total Development Cost	
Total	\$54,277,500

Project Construction Costs	
Total Construction Cost	\$37,967,759
Construction per Square Foot	\$416

Sources and Uses

Sources of Funds			Uses of Funds	
MH Permanent Loan	\$31,000,000		Acquisition	\$99
MH CMF	\$630,000		Construction	\$37,967,759
City of Boston Grant	\$6,000,000		Construction Contingency	\$3,796,775
MOH ARPA	\$4,000,000		General Development	\$7,468,667
BHA Funding	\$6,397,500		Replacement Reserves	\$54,200
Cash Flow During Construction	\$2,500,000		Operating Reserves	\$1,240,000
Deferred Developer Fee	\$3,700,000		Overhead	\$1,850,000
			Fee	\$1,850,000
Total Sources	\$54,277,500		Total Uses	\$54,227,500

Underwriting Notes

1. Loan Sizing
2. Capital Magnet Fund
3. Mayor's Office of Housing American Rescue Plan Act
4. BHA Funding
5. Deferred Developer Fee
6. Cash Flow During Construction
7. Ground Lease
8. Payment in Lieu of Taxes
9. Relocation
10. Third-Party Reports

Recommended Votes

- Re-Commitment of Taxable Construction/Permanent Loan

Delinquency Summary Report



Mar 31, 2025

Delinquencies in Excess of: \$1,000
Monthly Billed Loans

Program Type	Principal Program Detail	Number of Developments	Project Outstanding Loan Amount	Developments Delinquent	Delinq Outstanding Loan Amount	Pct \$ Delinq Loans	Pct # Delinquent Loans
INDEP	Options for Independence	17	\$351,405	0	\$0	0.00%	0.00%
INDEP - Total		17	\$351,405	0	\$0	0.00%	0.00%
OTHER	Other Subordinate Only	1	\$978,027	0	\$0	0.00%	0.00%
OTHER - Total		1	\$978,027	0	\$0	0.00%	0.00%
SECT8NONP	Project Based Section 8 - Not PBCA	4	\$27,709,433	0	\$0	0.00%	0.00%
SECT8NONP - Total		4	\$27,709,433	0	\$0	0.00%	0.00%
SECT8PBCA	Project Based Section 8 - PBCA	172	\$3,067,406,124	0	\$0	0.00%	0.00%
SECT8PBCA - Total		172	\$3,067,406,124	0	\$0	0.00%	0.00%
SECT8VOUCH	Project Based Section 8 Vouchers	27	\$300,489,850	0	\$0	0.00%	0.00%
SECT8VOUCH - Total		27	\$300,489,850	0	\$0	0.00%	0.00%
SHARP	SHARP/ RDAL	4	\$62,604,499	0	\$0	0.00%	0.00%
SHARP - Total		4	\$62,604,499	0	\$0	0.00%	0.00%
TAXCREDIT	Tax Credit (4% and/or 9%)	166	\$1,570,782,817	1	\$33,773,980	2.15%	0.60%
TAXCREDIT - Total		166	\$1,570,782,817	1	\$33,773,980	2.15%	0.60%
UNSUB	Un-Subsidized	21	\$301,719,905	0	\$0	0.00%	0.00%
UNSUB - Total		21	\$301,719,905	0	\$0	0.00%	0.00%
WORKFORCE	Workforce Housing	7	\$57,667,709	0	\$0	0.00%	0.00%
WORKFORCE - Total		7	\$57,667,709	0	\$0	0.00%	0.00%
		7	\$176,374,053	0	\$0	0.00%	0.00%
- Total		7	\$176,374,053	0	\$0	0.00%	0.00%
Overall - Total		426	\$5,566,083,823	1	\$33,773,980	0.61%	0.23%

Delinquency Detail

Mar 31, 2025
Delinquencies in Excess of: \$1,000



Tax Credit (4% and/or 9%)

Principal Program Code	Project Id - Development Name	City/ Town	Total Rental Units	Project Outstanding Loan Amount	Total Due & Uncollected	Past Due Installments
TAXCREDIT	16-004 Pac 10 Lofts, Phase One	Lawrence	180	\$33,773,980	\$18,715,633	27
Overall - Total			180	\$33,773,980	\$18,715,633	

Comments Detail



Mar 31, 2025

Delinquencies in Excess of: \$1,000

Program Desc	Program Code	Project Id - Development Name	City	Number of Units	Current Principal Balance	Forbearance Start Date	Forbearance Expire Date
Un-Subsidized	UNSUB	85-016 HEBRONVILLE MILL	Attleboro	83	\$11,825,874.99	Jul 31, 2020	Jan 1, 2027
					\$11,825,874.99		