

**Minutes of the Meeting
of the Members of
MassHousing
held on
May 8, 2018**

The regular meeting of the Massachusetts Housing Finance Agency – doing business as MassHousing was held on May 8, 2018 at MassHousing’s offices located at One Beacon Street in Boston, Massachusetts. In attendance were:

Members Michael Dirrane, Chair
Mark Attia, Designee of Michael Heffernan, ex officio
Carolina Avellaneda
Andris Silins
Ping Yin Chai
Lisa Serafin
Janelle Chan, ex officio

Members
Not Present Patricia McArdle

Staff	Maureen Burke	Tom Lyons
	Antonio Torres	Chuck Karimbakas
	Laurie Bennett	Paul Scola
	Beth Elliott	Henry Mukasa
	Carol McIver	Tom Farmer
	Kathleen Evans	Paul McMorrow
	Sarah Hall	Sergio A. Ferreira
	Deb Morse	Belmira Fallon
	Anna Reppucci	Nancy Slaney
	Nancy McDonald	Cynthia Lacasse
	Meaghan McCarthy	Lisa Fiandaca
	John W. McCormack	Amy Dominici
	Doug O’Brien	Stephen Payson
	Kelly Johnson	Nick Pepe
	David Keene	Anne Marie McPherson
	Daniel Staring	Bethany Wood
	Joseph Mullen	Peter Cooper
	Stephen Vicker	Jill Lavacchia
	Craig Merry	Casey Baines
	Paul Hagerty	Zan Bross
	Ken Penta	Josiah Madar
	Beth DeFranzo	Ricky Ochilo

Guests

Matt Engler, Wells Fargo
Susan Jun, Morgan Stanley
Mike Koessel, Citi
Pearse O'Baoill, Winn
Jeffrey Perlman, D. Seaton & Associates

Chairman Dirrane convened the meeting to order at 2:00 p.m. He indicated that the first order of business was the approval of the minutes of the previous meeting. Upon a motion duly made and seconded, it was

VOTED: That the minutes of the meeting held on April 10, 2018 are hereby approved and placed on record.

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

Executive Director's Report

Ms. Kornegay began by giving an update on the fiscal year 2019 budget. The 2019 budget is in process and will be voted on at the June board meeting. She also gave an update on the hiring process for the new VP positions as well as the COO position. We have received a great response and are currently reviewing resumes and setting up interviews.

Ms. Kornegay next discussed MassHousing's visits to the rating agencies the week following the meeting.

Ms. Kornegay continued by informing the Members that we expect an announcement soon by the Baker Administration regarding the Housing Bond Bill on Beacon Hill. This \$1.7 billion capital bill contains \$400 million in funding over five years for the Affordable Housing Trust Fund that MassHousing administers for the Commonwealth. This bill will also amend MassHousing's statute to give us more flexibility to innovate.

Ms. Kornegay next discussed MassHousing's Planning for Housing Production initiative. We have received 29 applications on our first round. She also mentioned that this is the "Year of the Older Adult" in affordable housing and discussed initiatives related to this.

Ms. Kornegay concluded by noting there will be a bus tour of several of MassHousing's developments in Beverly and Lynn on June 15, 2018.

Vote Authorizing a Sublease of MassHousing's Leased Premises

Ms Kornegay then discussed the proposed sublease of a portion of MassHousing's leased premises. MassHousing has recently completed its build-out on the 4th floor of One Beacon and no longer requires use of its leased premises on the 5th floor, which contains approximately 4,174 rentable square feet. The 5th floor premises have been marketed to prospective subtenants by the Agency's brokerage team (Ron Perry, Matt Perry and Larry Epstein of Avison Young), beginning in earnest last summer and continuing in the fall and winter months.

Several parties have made serious inquiries and offered proposals, but most were relatively unfavorable to MassHousing. For example, most of the prospective parties were start-up companies only willing to commit to sublease terms of three (3) years on average, with the longest offered term being five (5) years. In addition, because most of the prospective subtenants were newly formed, their financial strength and creditworthiness was more difficult to ascertain than those of more established organizations. Short-term subleases with potentially financially insecure subtenants would expose MassHousing to greater risks of nonpayment of rent, prolonged vacancies and additional transaction costs, including costs of refreshing the space between subtenants.

In late March, the Citizens' Housing and Planning Association (CHAPA), a nonprofit organization well-known to MassHousing with a long history and stable financial position, expressed interest in subleasing the 5th floor premises, as their current lease will expire later this year. Their space requirements and timing are a good fit with MassHousing's needs and, most importantly, CHAPA has expressed interest in a sublease term that is coterminous with the term of MassHousing's master lease. Under the terms of the proposal – which have been outlined in a draft letter of intent that will only be executed with the permission of the Members – rent will start at \$40.00 per square foot/per year; it will step up to \$41.00 in April of 2019; and it will continue to step up by \$1.00 per square foot every two (2) years until it reaches \$45.00 beginning April 1, 2027, and it will continue at that level until the termination date of March 31, 2030. Although the proposed rent schedule is \$3.00 per square foot below MassHousing's rent schedule, the rent paid by CHAPA would cover approximately 93% of the Agency's obligations with respect to these premises over the term of the sublease. Given the current sub-tenancy market for spaces of the size of the 5th floor premises and the fact the Agency's brokers have not been able to locate a long-term subtenant willing to fully cover MassHousing's rental costs for this space, staff finds that a long-term lease with CHAPA, particularly given its financial stability, represents the best value available to the Agency.

Accordingly, it is recommended that the Agency Members authorize us to proceed to negotiate and finalize an agreement with CHAPA as a subtenant for the 5th floor premises and to prepare and execute a sublease agreement consistent with the business terms and conditions outlined in this memorandum and in the attached draft letter of intent. Upon a motion duly made and seconded, it was

VOTED: To authorize the Executive Director, or her designee, (1) to negotiate and execute with the Citizens' Housing and Planning Association, a Massachusetts nonprofit

corporation (CHAPA), a letter of intent concerning the subleasing by the Agency to CHAPA of MassHousing's leased premises on the 5th floor of One Beacon Street, Boston, MA 02108, consisting of approximately 4,174 rentable square feet (the "5th Floor Premises"), the terms of which shall be consistent with the draft letter of intent attached hereto as Attachment A; (2) to negotiate, execute and deliver a sublease agreement for the 5th Floor Premises on terms consistent with such letter of intent and in a form acceptable to the General Counsel; and (3) to take all other actions, and to execute and deliver any and all other documents or agreements, necessary or appropriate to effectuate the foregoing.

Opportunity Fund Presentation and Votes

Charles Karimbakas provided an update on the Opportunity Fund and presented several staff recommendations relating to the Opportunity Fund:

FY16 and FY17 Excess Allocation

In March 2016, the Agency established the Opportunity Fund to support mission-driven initiatives as per the attached memorandum. One of the funding concepts for the Opportunity Fund was the contribution of 50% of excess earnings from each fiscal year. The idea behind this concept was to use half of all excess earnings to build Agency capital while using the remaining half for mission-driven initiatives. Included in the original request were amounts from fiscal 2013, 2014 and 2015. At this time, staff recommends that 50% of the excess earnings from fiscal 2016 and 2017 in excess of \$30MM be contributed to the Opportunity Fund. Excess earnings for these two fiscal years was \$62,584K, which results in a recommended contribution of \$16,292K. Staff desires to retain the \$30MM as a reserve for potential capital investments and for income loss protection.

Borrower Assistance Program

In 1989, the Agency established the Borrower's Assistance Program (BAP), a closing cost assistance program for eligible home ownership borrowers, in conjunction with three other agencies: the Executive Office of Communities and Development (EOCD), the predecessor to the Department of Housing and Community Development (DHCD), the Public Facilities Department of the City of Boston (PFD) and the Boston Redevelopment Authority, the predecessor to the Boston Planning and Development Agency (BPDA). The BAP program delivered closing cost assistance in the form of a 3% interest-bearing deferred payment loan due upon the transfer or sale of the property. Assistance provided to borrowers in Boston was funded equally by the four agencies, and assistance to borrowers outside of Boston was funded equally by the Agency and EOCD. Approximately \$2.2MM is currently held in an escrow account from principal and interest collections from the loans made under the BAP program, as well as interest earned on the collected balances, and forty-two (42) loans remain outstanding.

Staff recommends that the Agency enter into an agreement with the DHCD, PFD and BPDA to distribute the funds held in escrow relative to the BAP program and any future funds collected on the remaining BAP loans generally in proportion to their respective funding of such loans, as more

specifically described in the attached memorandum. Staff further recommends that any BAP funds received (or retained) by the Agency be allocated to the Opportunity Fund for further deployment.

ASSIST Program

In 1993, the Agency approved the ASSIST program, in which only the Agency participated. The ASSIST program delivered closing cost assistance to eligible home ownership borrowers in the form of a 0% interest bearing deferred payment loan due upon the transfer or sale of the property. Approximately \$1.3MM is currently held in an escrow account from principal collections from the loans made under the ASSIST program, as well as interest earned on the collected balances, and thirteen (13) loans remain outstanding.

Staff recommends that the Members approve the release of the ASSIST escrow funds, as well as any future funds collected on the remaining ASSIST loans, for allocation to the Opportunity Fund, as more fully described in the attached memorandum.

Operation Welcome Home

On May 12, 2015, the Agency authorized the implementation of the “Operation Welcome Home” mortgage program for a three-year period with an investment of \$3 million, as more fully described in the attached memorandum. The Operation Welcome Home Program funds were transferred to the Agency’s Opportunity Fund after its creation in 2016. Approximately \$560,000 of loans have been funded under this program. Staff recommends that the three-year time constraint be removed from the program.

In addition, as there have been several changes in Agency structure since the Operation Welcome Home program was established, staff recommends that the staff positions authorized to act with respect to the Operation Welcome Home Program be updated at this time.

Closing Cost Assistance

In June 2017, the Agency dedicated \$250,000 from the Opportunity Fund to provide closing cost or downpayment assistance to low-income borrowers under HomePossible80 or a similar home ownership loan program for borrowers with incomes at or below 80% of area median income; this income threshold was increased at the February 2018 meeting of the members to 100%.

As the HomePossible80 program has concluded without deploying all of the allocated funds, staff recommends that veteran borrowers with incomes at or below 135% of area medium income be allowed to receive closing cost and/or downpayment assistance from the remaining funds.

In response to a question from Lisa Serafin, Mr. Karimbakas confirmed that the funds from BAP and ASSIST are unallocated.

Ms. Serafin next asked about the pension estimates. Mr. Karimbakas replied that the valuation of the pension fund is done every two years. The value has been fluctuating around \$30 million.

Carolina Avellaneda asked if the funds held back from the Opportunity Fund could be redeployed into the Working Capital Fund. Mr. Karimbakas replied we will get a recommendation either way each October.

Ms. Avellaneda then asked why we should remove the time limit on the Operation Welcome Home funds. Mr. Karimbakas replied that this will promote simplicity.

Janelle Chan commented on the need for funds to support housing priorities like the 13A preservation effort and asked how MassHousing arrived at the \$30 million holdback.

Mr. Karimbakas replied that staff determined that this amount would be prudent to handle emergencies and planned spending events.

Upon a motion duly made, it was

VOTED: To contribute \$16,292K of the excess earnings from fiscal 2016 and 2017 to the Opportunity Fund established by the Members on March 8, 2016 (the “Opportunity Fund”).

FURTHER

VOTED: To authorize the Financial Director and the General Counsel, each acting singly, to enter into an agreement with the Department of Housing and Community Development of the Commonwealth of Massachusetts, the Public Facilities Department of the City of Boston, and the Boston Planning and Development Agency regarding the distribution of the funds currently held in escrow with respect to the Borrower Assistance Program and of any future funds collected on loans made under such programs (collectively, all such funds, the “BAP Funds”), on terms and conditions acceptable to the Financial Director and in form acceptable to the General Counsel.

FURTHER

VOTED: That, upon execution of the agreement described in the previous vote, the BAP Funds distributable to the Agency be transferred to the Opportunity Fund and that any future BAP Funds received by and distributable to the Agency be transferred to the Opportunity Fund upon receipt.

FURTHER

VOTED: That all funds currently held in escrow under the Agency’s ASSIST Program be transferred to the Opportunity Fund and that any future funds received by the Agency under the ASSIST Program be transferred to the Opportunity Fund upon receipt.

FURTHER

VOTED: To authorize the Operation Welcome Home mortgage loan program established by the Agency on May 12, 2015, to continue past the three-year time limit originally imposed on the Operation Welcome Home program.

FURTHER

VOTED: To authorize the Executive Director, General Counsel, Financial Director, Director of Homeownership Production, Director of HomeOwnership Lending Operations, Director of Homeownership Servicing and Operations, Manager of Secondary Marketing, Senior Manager of Loan Administration, Senior Manager of Administration, and Senior Manager of Accounting and Asset Management, each acting singly, to execute and deliver any and all documents and instruments necessary and appropriate to carry out the Operation Welcome Home mortgage loan program.

FURTHER

VOTED: To authorize the Agency to allocate for Veterans Closing Cost Assistance (as defined below) any amounts remaining from the \$250,000 that had been allocated from the Opportunity Fund by the Agency on June 8, 2017, to provide closing cost or downpayment assistance to borrowers with incomes at or below 80% of area median (which income limitation was increased on February 8, 2018, to 100% of area medium income). For purposes of this vote, “Veterans Closing Cost Assistance” shall mean closing cost or downpayment assistance to veteran borrowers with incomes at or below 135% of area medium income.

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

Mr. Karimbakas then presented a delegation of authority to issue homeownership bonds and/or notes to finance up to \$250 million using a mix of fixed-rate and/or hedged variable rate. This delegation along with a memorandum from cfX Incorporated (“cfX”), MassHousing’s financial advisor, will satisfy the requirements of the State Finance Governance Board with respect to derivative contracts associated with MassHousing financings. The first transaction under this vote is expected to close by the end of June with Morgan Stanley as the senior underwriting.

**A RESOLUTION OF THE MASSACHUSETTS HOUSING FINANCE AGENCY
ADOPTING SUPPLEMENTAL RESOLUTIONS AND/OR SUPPLEMENTAL TRUST
INDENTURES RELATED TO THE ISSUANCE AND SALE OF NOT EXCEEDING
\$250,000,000 AGGREGATE PRINCIPAL AMOUNT BONDS AND/OR NOTES AND
AUTHORIZING OFFICERS OF MASSHOUSING TO APPROVE CHANGES THERETO
AND AUTHORIZING THE NEGOTIATION AND APPROVAL OF CERTAIN OTHER
DOCUMENTS IN CONNECTION THEREWITH**

WHEREAS, the Massachusetts Housing Finance Agency (“MassHousing”) previously (i) adopted its Single Family Housing Revenue Bond Resolution (as amended to date, the “Resolution”) and (ii) entered into a Trust Indenture relating to its Residential Mortgage Revenue Bonds (Mortgage-Backed Securities) (as amended to date, the “Trust Indenture”), each authorizing the issuance of bonds and/or notes for the purposes of financing or refinancing Whole Mortgage Loans, Home Improvement Loans, Cooperative Housing Loans or Mortgage-Backed Securities,

refunding other obligations of MassHousing and establishing reserves therefor, as applicable, all in furtherance of MassHousing's Home Ownership Program;

WHEREAS, in order to maintain the continuity of the Home Ownership Program, and in furtherance of the provision of owner-occupied, single-family housing to low and moderate income persons and families in the Commonwealth, MassHousing desires to provide for (i) the adoption of one or more supplemental resolutions pursuant to the Resolution and (ii) the execution of one or more supplemental trust indentures pursuant to the Trust Indenture, authorizing the issuance of one or more series of bonds and/or notes to finance or refinance certain Whole Mortgage Loans and Mortgage-Backed Securities, as applicable, approved by MassHousing (collectively, the "Loans") to be designated by an Authorized Officer;

WHEREAS, MassHousing desires to adopt such resolutions and agreements as may be necessary to effectuate the foregoing purposes and to provide for the modification of such resolutions to the extent necessary; now, therefore, be it

RESOLVED, by the Members of MassHousing as follows:

Section 1. MassHousing hereby (i) adopts one or more Supplemental Resolutions (the "Supplemental Resolutions"), authorizing the issuance of Bonds and/or Notes under the Resolution, and (ii) approves the execution of one or more Supplemental Trust Indentures (the "Supplemental Trust Indentures"), authorizing the issuance of Bonds under the Trust Indenture, with an aggregate principal amount not to exceed \$250,000,000 (the "Obligations"). The Supplemental Resolutions and the Supplemental Trust Indentures shall be in substantially the forms previously used by MassHousing, with such changes as shall be deemed necessary in accordance with Section 3 of this resolution. The Obligations may be issued in one or more series and shall be secured by and payable from (i) in the case of Obligations issued under the Resolution, any and all Revenues in accordance with the Resolution and (ii) in the case of Obligations issued under the Trust Indenture, the security and collateral set forth in the applicable Supplemental Trust Indenture.

Section 2. The Obligations shall be sold to one or more members of MassHousing's approved underwriting team in accordance with the terms of one or more bond purchase agreements in substantially the forms previously used by MassHousing with respect to its single family housing revenue bond programs, with such changes, interest rates, redemption provisions and maturity schedules as shall be approved by an Authorized Officer, and the same are authorized to execute and deliver the bond purchase agreements. The Obligations issued under the Resolution may be issued and sold as (i) one or more series of "Fixed Rate Bonds" or "Variable Rate Bonds" or "Compound Interest Bonds" or "Discount Bonds," (ii) one or more series of Notes or (iii) "Tender Bonds," as each such term is defined in the Resolution. The Obligations may be sold at a purchase price which reflects an aggregate underwriting fee or discount of not more than 2% of the principal amount of the Obligations issued.

Section 3. The Executive Director, Chairman, Vice President of Home Ownership Programs or Financial Director are each hereby authorized, acting singly, to take whatever action is necessary to carry out the issuance and sale of the Obligations including, without limitation,

determining the amount of fixed rate, variable rate, compound interest or discount bonds to be issued and the terms and conditions thereof, including the series designation(s) thereof, the date or dates of issuance and sale thereof, the maturity and interest payment dates thereof, the redemption or tender dates, if any, therefor and the establishment of funds and accounts under the Resolution or the Supplemental Trust Indenture, as applicable, to account for the proceeds thereof. The Executive Director, Chairman, Vice President of Home Ownership Programs or Financial Director are further authorized, acting singly, to make such changes, additions and revisions to the Supplemental Resolutions, the Supplemental Trust Indentures and the documents and agreements referred to herein and therein, as are necessary to effectuate the purposes thereof and the purposes set forth in this resolution.

Section 4. In connection with the issuance of any Obligations, the distribution of one or more Preliminary Official Statements by an Authorized Officer is hereby approved. The Authorized Officers are each hereby authorized to permit the distribution of one or more final Official Statements, with such changes, omissions, insertions and revisions from the preliminary form thereof as they shall deem advisable and made pursuant to the bond purchase agreement authorized in Section 2 above, and to execute such final Official Statements.

Section 5. In connection with the issuance of any Obligations, MassHousing may enter into one or more remarketing agreements, standby bond purchase agreements, credit enhancement agreements or other liquidity agreements with respect to the Obligations (“Related Agreements”). The form of such Related Agreements shall be approved by an Authorized Officer, and the same are authorized to execute and deliver such agreements.

Section 6. In connection with the issuance of any Obligations, MassHousing may enter into one or more interest rate swap transactions, forward rate transactions, forward bond purchase transactions, cap transactions, floor transactions, collar transactions, rate lock transactions or other similar transactions (“Transactions”). The Authorized Officers are authorized to enter into such Transactions and to execute and deliver all agreements necessary or desirable therefor with one or more financial institutions selected by such Authorized Officers, and to pledge and apply such collateral held under the Resolution or the Supplemental Trust Indenture or otherwise held by MassHousing as shall be required by any such Transaction or any insurance therefor, subject to the pledge of any such collateral held under the Resolution or the Supplemental Trust Indenture, as applicable, for the benefit of the holders of all bonds and notes outstanding thereunder, in each case on such terms and conditions as such Authorized Officers shall determine to be in the best interest of MassHousing.

Section 7. The Authorized Officers are, and each of them is, authorized in their discretion to obtain a commitment from an Insurer (as such term is defined in the Resolution) selected by such Authorized Officers to insure all or any portion of the principal and interest payable on the Obligations issued under the Resolution on such terms and conditions as such Authorized Officers shall determine is in the best interests of MassHousing and approve (which terms and conditions shall be set forth in the applicable Supplemental Resolution). If MassHousing shall obtain an insurance policy from an Insurer to insure the Obligations issued under the Resolution, the Authorized Officers are further authorized to execute and deliver such agreements with the Insurer, or to include provisions in the Supplemental Resolutions, containing

such terms, covenants and undertakings of MassHousing, as such Authorized Officers shall determine to be in the best interest of MassHousing.

Section 8. In the event the Obligations are not issued prior to the maturity date of all or any portion of any bonds (the “Prior Bonds”) to be refunded with proceeds thereof, the Authorized Officers are, and each of them is, authorized in their discretion to draw amounts under the Second Amended and Restated Revolving Loan Agreement dated November 9, 2017, by and between MassHousing and Bank of America, N.A., as it may be amended from time to time, sufficient to pay the principal amount of such Prior Bonds and to apply such amounts to such payment on such maturity date, provided that the amount so drawn shall be repaid from the proceeds of the Obligations upon the issuance thereof as provided in the Supplemental Resolutions.

Section 9. MassHousing may make or finance, on an interim basis, certain Loans, which costs are reasonably expected to be paid or reimbursed with the proceeds of debt to be incurred by MassHousing in the maximum amount of \$250,000,000 and with respect to any such expenditures, this resolution is intended to satisfy the technical requirements of Treasury Regulations §1.150-2(d)(1).

Section 10. MassHousing authorizes any Authorized Officer to submit the proposed terms of any transaction authorized above to the State Finance and Governance Board as may be necessary for their review in accordance with Section 98 of Chapter 6 of the General Laws, as amended, and the regulations promulgated thereunder.

Section 11. As used in this resolution, the term Authorized Officer shall mean MassHousing’s Chairman, Vice Chairman, Treasurer, Secretary, Executive Director, Vice President of Home Ownership Programs, Financial Director, General Counsel, Comptroller, Manager of Finance and Bond Compliance, or any person serving in any of the foregoing positions in an “Interim” or “Acting” capacity at the direction of the Members of MassHousing, any Member of MassHousing, or any other Authorized Officer of MassHousing as defined in the Resolution or a Supplemental Trust Indenture.

Section 12. This resolution shall take effect immediately.

LOAN COMMITTEE

Wilbraham Commons, Wilbraham

David Keene presented a proposal for Wilbraham Commons, an existing 136-unit development located in Wilbraham. The owner, Wilbraham Commons Associates Limited Partnership, is seeking approval to prepay its existing mortgage loan in order to refinance this Section 8 development that includes 136 units covered by a Section 8 HAP contract. MassHousing has underwritten the new mortgage loan and will apply to HUD for FHA mortgage insurance under Section 223(f) of the National Housing Act. MassHousing’s credit risk exposure for loans insured by FHA under this program will be approximately one percent (1%) of the loan amount.

MassHousing will issue a Ginnie Mae Mortgage Backed Security to fund the new mortgage loan. Upon a motion duly made, it was

VOTED: To approve the findings and determinations contained in Attachment A and to authorize a first mortgage loan in a principal amount of \$14,080,000 or such other amount as evidenced in the HUD Firm Commitment; provided, however, that the loan shall not be more than \$15,488,000 nor less than \$12,672,000 (i.e., 10% +/- of the approximate loan amount) without seeking additional further MassHousing approval, to be insured through the Federal Housing Administration pursuant to Section 223(f) under the National Housing Act, to be made to Wilbraham Commons Associates Limited Partnership or another single-purpose entity controlled by WC-ACD, LLC (the General Partner) as owner of the multifamily residential development known as “Wilbraham Commons” (the “Development”) and located in Wilbraham, Massachusetts, and in accordance with the applicable MAP 223(f) General Closing Conditions approved by the Agency on May 9, 2017 and the general delegations of authority previously approved by the Agency, 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.

FURTHER

VOTED: That the Massachusetts Housing Finance Agency, acting through its duly authorized officers, 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 Wilbraham Commons Associates Limited Partnership for Wilbraham Commons.

**ATTACHMENT A
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) Provision of Low-income Set-aside Units

All of the 136 units 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

In-house data for larger market and mixed-income complexes (1,064 approximate units) in the area revealed a strong market. Current occupancy rates of the six comparable developments reviewed averaged approximately 95.9%, and range between 90% and 100%. The subject property has operated as a 136-unit Section 8 property since 1983 and has had a historical vacancy rate of .48%. Staff review of similar mixed income/subsidized portfolio properties (888 units) demonstrated a weighted average vacancy rate of approximately 1.4%.

There is no submarket data for Wilbraham and therefore we relied on the Springfield metro area. REIS, Inc. data (4th Qt. 2017) for the subject's Springfield metro area have projected a vacancy rate at 1.4% YTD (3.8% Boston Metro). This rate is projected to increase to 2.2% over the next five years, while the Boston Metro is projected to increase to 4.9%. Vacancies in the Springfield metro area have averaged approximately 1.9% over the last five years, while the Boston Metro vacancy rate has averaged 3.8%.

According to the Department of Housing and Community Development's (DHCD) Chapter 40B Subsidized Housing Inventory (9/17/17), the Town of Wilbraham has 5,442 year-round housing units, of which 305 units (5.6%) are subsidized for low/moderate income households.

Further, the Wilbraham Housing Authority (WHA) owns and /or operates two state-funded elderly/disabled properties with a total of 60 units. They also have 9 units of state-funded family properties which are scattered throughout Wilbraham. In addition the WHA owns 15 units of congregate housing for the elderly that are currently vacant.

U.S. Census data from the 2012-2016 American Community Survey (ACS) indicates that of the 5,223 households in the Town of Wilbraham, approximately 27.3% earned less than the HUD published 2018 AMI (\$68,200); approximately 22.4% earned less than 50% of 2018 AMI; approximately 26.9% earned less than 60% of the 2018 AMI; and approximately 33.3% earned less than 80% of the 2018 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 below) and the rents for this project, MassHousing staff finds that private enterprise alone cannot supply such housing.

(4) No Undue Concentration of Low-income Households

The financing herein proposed does not lead to the undue concentration of low-income households and does not change the existing affordability mix.

(5) Elimination 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. Staff is not aware of units within the same market area that require demolition or compulsory repair. 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.

Old Colony Phase Three A 4%, South Boston

Antonio Torres presented a proposal for Old Colony Phase Three A 4%. Beacon Communities Services LLC, the developer, is currently seeking OAS to protect its ability to reimburse any appropriate project expenditures with the proceeds of a future tax-exempt financing and to maximize flexibility in the use of funds. In order to maximize private and public resources, Beacon is proposing to structure Phase 3 by combining 4% and 9% LIHTC's to maximize tax credit basis and leverage affordable housing resources. Phase Three A 4% and Phase Three A 9% will be separate projects with separate owner entities and financing plans. The tax-exempt bond proceeds from MassHousing will be used as project financing for the rehabilitation of Old Colony Phase Three A 4%, which will continue the implementation of the Old Colony Master Plan and create new energy-efficient healthy apartments. The interior building materials will foster "healthy homes" and meet accessibility and visitability guidelines.

The borrower has already entered into a developer designation agreement with the BHA, and the financial closing is anticipated to be early Spring 2019. Upon a motion duly made and seconded, it was

VOTED: To approve the findings and determinations set forth immediately following this vote and to authorize (i) the Agency to grant Official Action Status and consider the application for a permanent loan commitment for the multifamily development known as "Old Colony Phase Three A 4%" (the "Development") at such time as it is submitted; (ii) this vote to serve as a declaration of official intent under Treasury Regulations Section 1.150-2 to fund all or a portion of costs paid or incurred after this date from the proceeds of a tax-exempt debt issue of the Agency if the Agency shall approve and fund the Development; (iii) that the issuance of debt by the Agency not be in excess of \$30,000,000 in principal amount for the Development; (iv) that the issuance of debt occur not later than 18 months after the latest of (a) the date on which the earliest expenditure subject to Treasury Regulations Section 1.150-2 is paid, (b) the date on which the property is placed in service or abandoned, but in no event more than three years after the earliest expenditure is paid, or (c) the date otherwise permitted by the Code or Treasury Regulations promulgated thereunder.

Chairman Dirrane mentioned the Anne Lynch Homes at Old Colony were also financed by \$25 million in linkage funds from the city of Boston.


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

Chairman Dirrane asked for a motion to adjourn the meeting at 2:27 p.m. Upon a motion duly made and seconded, it was

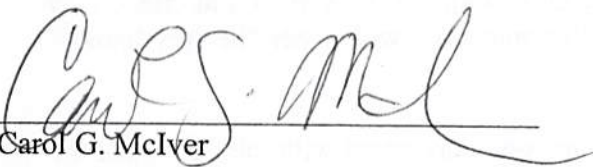
VOTED: To adjourn the MassHousing meeting at 2:27 p.m.

A true record.

Attest.



Beth M. Elliott
Secretary



Carol G. McIver
Assistant Secretary