

**Minutes of the Meeting
of the Members of
MassHousing
held on
May 14, 2019**

The regular meeting of the Massachusetts Housing Finance Agency – doing business as MassHousing was held on May 14, 2019 at MassHousing’s offices located at One Beacon Street in Boston, Massachusetts. In attendance were:

Members Michael Dirrane, Chair
Michael Heffernan
Carolina Avellaneda
Lisa Serafin
Janelle Chan
Patricia McArdle
Andris Silins

**Members
Not Present** Ping Yin Chai
Jerald Feldman

| | | |
|--------------|-----------------------|------------------|
| Staff | Carol McIver | Tom Perry |
| | Colin McNiece | Paul Hagerty |
| | Chrystal Kornegay | Francis Goyes |
| | Laurie Bennett | Joseph Mullen |
| | Maureen Burke | Dan Gover |
| | Deb Morse | John Drew |
| | Kathleen Evans | Stephen Vickery |
| | Meaghan McCarthy | Belmira Fallon |
| | Mike Carthas | Jill Lavacchia |
| | Zan Bross | Chuck Karimbakas |
| | Shelby Rosenberg | Mounzer Aylouche |
| | Hanna Schutt | Sergio Ferreira |
| | Sarah Hall | Paul Scola |
| | Amanda Melick | Henry Mukasa |
| | Kaitlyn Mulcahy | Mark Teden |
| | David Keene | Cynthia Lacasse |
| | Antonio Torres | Rachel Madden |
| | Kathy Connolly | Eric Gedstad |
| | Susan Lynch | Chris Burns |
| | Anne Marie MacPherson | Andrea Laing |
| | Kelly Condon | Nancy Slaney |
| | Beth DeFranzo | Lisa Fiandaca |
| | Deepak Karamcheti | Cibele Concalves |
| | | Jeremy Meneses |

Kelly Johnson
Mary Magliozzi
Paul Mulligan
Nancy McDonald
Carmen Beato
Deanna Ramsden
Patrick Gavin
Susan Sheffer
Bethany Wood

Anna Reppucci
Myra Carmona
Thomas Norton
Kathy Holt
Amy Dominici
Hana Migliorato
Kathleen Lynch
Katrina Holman
Kirstin Olsen

Guests: Robin Ginsburg, Wells Fargo
Gregory Borys, Morgan Stanley
Charles Carey, Mintz
Paul Haley, Barclays
Jamie Oppedisano, J. P. Morgan
Brandon Wolanski, Barclays
Matt Engler, Wells Fargo
Jeff Sula, RBC CM
Jaimie Scranton, Jeffries
Paul Ladd, Bank of America Merrill Lynch
Tim Santucci, Winn Companies
Tim Mustacato, Winn Companies
Pearse O’Baioill, Winn Companies

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 9, 2019 are hereby approved and placed on record.

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

Executive Director’s Report

Ms. Kornegay began by discussing Project Based Contract Administration (PCBA). MassHousing’s contract extends to June 30, 2019. We have been notified this week that HUD has given us an 18-month extension and we will be given a 120-day notice if out to bid. The overall value will be relatively the same but we have projected an approximately \$1.3 million reduction in fee revenue. We look forward to continuing to do this work.

As part of her “People Behind the Mission” program, Ms. Kornegay next introduced John Drew, Manager of the Appraisal and Marketing Team.

Capital Adequacy Study Update

Charles Karimbakas, Financial Director, gave an update on the Capital Adequacy Study which builds on the success of the 2013 study. MassHousing’s goals are to substantially contribute to an Opportunity Fund and to remain financially sustainable. Since 2013, MassHousing has contributed \$193 million to the Opportunity Fund. Mr. Karimbakas went on to say we have increased long-term sustainability through maintaining our balance sheet and investing in future income. MassHousing has substantially completed financing of SHARP loans and we have attractive new multi-family lending through FFB, GNMA and leveraging Housing Bond Equity. As a result of these efforts, MassHousing is more sustainable today than five years ago. We have stabilized net income from both Working Capital Fund and bond indentures and we have substantially increased risk-adjusted net worth, which has contributed to the Opportunity Fund. Mr. Karimbakas continued by stating MassHousing has done better than predicted since 2013. This can be attributed to substantially higher interest rates as well as revenue from fees and servicing. Mr. Karimbakas added that we thought we were losing PCBA, but we have been given an 18-month extension.

Chairman Dirrane asked about the dip in income during 2008/2009. Mr. Karimbakas answered that our Section 8 contract got worse and a second driver was interest rates at that time. Our investments got all their money back, but we did lose investment income.

Mr. Karimbakas continued by stating we have had extensive new lending over the past 5 years which has kept the balance sheet and servicing portfolio at the same level. This has offset prepayments but has not grown.

Chairman Dirrane asked if the \$10 million in service income was net income and was this income from both single-family and multi-family. Mr. Karimbakas replied that for future sustainability we are growing out servicing balance sheets to protect ourselves should real estate values go down. Mr. Karimbakas added we want as much volume cap as possible and we want to leverage that with both single-family and multi-family lending. Mr. Karimbakas went on to say our 2019 approach is very similar to our 2013 approach and we intend to keep the framework the same.

Lisa Serafin asked Mr. Karimbakas if the projections include PCBA at current levels or PCBA cut in half.

Mr. Karimbakas answered that we have ongoing income from past activities. This will help MassHousing weather future recessions. The key to future stability is continuing to build ongoing income from past activities. This will assure income in future years, covers the deficit in current year activities and maintain net worth and financial flexibility.

Lisa Serafin commented that if the economy changes we may have to look at these things slightly differently.

Down Payment Assistance Loan Program

Mounzer Aylouche, Vice President of Homeownership Programs, presented a proposal for changes to the Down Payment Assistance Loan Program. Since the program's launch in 2018, MassHousing has helped 1,335 households achieve homeownership. Almost half of all down payment assistance loans during this time were made to households in Boston and Gateway Cities. The down payment assistance loans made to date have been at a 1% interest rate in the amount of up to 3% of the purchase price.

Mr. Aylouche continued by saying while the program has been successful, achieving homeownership has been a struggle for many households across the Commonwealth. Inventory is down and prices are up. Since 2015, the median single-family sale price has increased by almost 40% in certain communities, but salaries have not grown at the same rate. One in five households in Massachusetts leave because of the high cost of housing. The high levels of housing prices mean that many members of the Commonwealth's workforce are not eligible for affordable housing assistance.

Mr. Aylouche went on to say that in order to address these issues, it is recommended that we continue with the program, but recommends MassHousing raise the income limit eligibility for Down Payment Assistance from 100% AMI to 135% AMI in Gateway Cities and Boston. It is also recommended we increase Down Payment Assistance loans to up to 5% of the purchase price, at an interest rate of 2% at this time.

Chairman Dirrane asked what the delinquency rate was on the 3% down/100% loan versus a true 97% loan. Mr. Aylouche replied that so far these loans have performed okay. It is a fairly young portfolio and it has not seen stress because of our underwriting standards.

Carolina Avellaneda asked if we are missing a group, perhaps people without the right credit scores, and with the DPA adjustment, will these products sell to Fannie Mae and Freddie Mac. Mr. Aylouche answered since they are FHA products, the underwriting is a little more relaxed. The 5% DPA must be enough to fund PMI which makes the loan much more affordable. We may address the credit issue with Fannie Mae and Freddie Mac. Mr. Aylouche went on to say we are addressing this group of people who are in the process of improving their credit.

Lisa Serafin commented that the DPA hits a need, but why are we limiting it to Gateway Cities? Mr. Aylouche answered we may evaluate this in the future on a case-by-case basis. Also, the city of Boston is not a Gateway City, but the program is offered in Boston.

Carolina Avellaneda questioned whether a higher AMI might impact the funds available for lower income households. Mr., Aylouche responded, no. Upon a motion duly made and seconded, it was

VOTED: To authorize the Agency to make subordinate down payment assistance loans to MassHousing first mortgage borrowers with incomes at or below 135% of area median income in Boston and Gateway Municipalities (as defined by Massachusetts General Laws Chapter 23A, Section 3A), and incomes at or below 100% of area median income in all other municipalities, on terms determined

appropriate by the Executive Director or Vice President of Homeownership Programs, each acting singly, subject to the availability of funding, as determined by the Financial Director.

FURTHER

VOTED: To authorize the Executive Director, Financial Director, Vice President of Homeownership Programs and General Counsel, each acting singly, to execute and deliver on behalf of the Agency such agreements or documents necessary or appropriate to implement the foregoing, and to further authorize the Executive Director to designate certain other specified individuals to execute documents in connection with the foregoing.

Opportunity Fund - Workforce Housing Update

Chrystal Kornegay, Executive Director, presented an update on the Opportunity Fund and Workforce Housing. On March 3, 2016, Agency Members approved the creation of an Opportunity Fund, which included a designation and reservation of \$100,000,000 for programs and investments related to the creation of workforce housing. Ms. Kornegay went on to say this fund was created to address the ever-increasing number of households stuck in the middle that do not qualify for rental assistance, but do not have incomes great enough to afford market rate rental housing.

Ms. Kornegay went on to recommend an allocation and designation of an additional \$10,000,000 from the Opportunity Fund for workforce housing with respect to rental developments. Ms. Kornegay went on to state that in addition to the gap in affordability for rental housing for workforce households, there is a group of would-be homeowners in the Commonwealth that are also stuck in the middle, unable to qualify for affordable assistance in purchasing a home. While the Single Family Housing Revenue Bond program will continue to fund the Down Payment Assistance loans for households at or below 100% AMI, the recommendation at this time is that up to \$7,000,000 be transferred from the Opportunity Fund to the Working Capital Fund to allow the Agency to further capitalize the Down Payment Assistance Program. It is anticipated this infusion of capital will allow the Agency to fund Down Payment Assistance Loans for a period of approximately three years, in most cases with respect to over 100% AMI households in the City of Boston and the Gateway Cities.

Lisa Serafin asked what the timeframe would be for workforce housing. Ms. Kornegay answered we will get ahead of that curve and will check back in October. We may receive additional investment from the Opportunity Fund.

Carolina Avellaneda asked Ms. Kornegay how the Agency arrived at the \$7 million number. Ms. Kornegay replied that it was an estimate based on the anticipated pipeline for the next three years.

Upon a motion duly made and seconded, it was

VOTED: To designate and reserve \$10,000,000 of the Agency's Opportunity Fund, in addition to the \$100,000,000 already committed, for programs or investments related to the creation of workforce housing in rental developments, subject to all

applicable requirements of the Agency's enabling act and in accordance with Workforce Housing Guidelines promulgated by the Agency.

VOTED: To authorize the transfer of up to \$7,000,000 from the Opportunity Fund to the Working Capital Fund to provide down payment assistance loans to borrowers in accordance with the HomeOwnership Division's Down Payment Assistance Program.

Chairman Dirrane extended a welcome to Colin McNiece, MassHousing's new General Counsel.

Ginnie Mae/MAP and Homeownership Lending Platform Signatories

Carol McIver, Deputy General Counsel, presented a vote to include Colin McNiece on the list of authorized signatories for the Agency's Ginnie Mae/MAP Lending Platform and the Agency's Ginnie Mae/Home Ownership Lending Platform. His name will replace Carol McIver's name on each list. On the HomeOwnership side, Patrick Gavin, Secondary Marketing Analyst, and James Connolly, Financial Specialist II, will also be added as signatories. Upon a motion duly made and seconded, it was

VOTED: To adopt Government National Mortgage Association Resolutions of Board of Directors and Certificates of Authorized Signatories as attached with the understanding that references in such Resolution to "Corporation" and "Board of Directors" shall mean "MassHousing" and "the Members of MassHousing," as appropriate.

**Resolution of Board of Directors
and Certificate of Authorized
Signatures**

(Please type all entries)

**U.S. Department of Housing
and Urban Development**
Government National Mortgage Association

OMB Approval No. 2503-0033 (Exp. 03/31/2015)

Public reporting burden for this collection of information is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a current OMB control number.

Ginnie Mae is authorized to collect the information on this form as required by Section 306(g) of the National Housing Act and/or the Ginnie Mae Handbook, 5500.3, Rev. 1. Ginnie Mae maintains this information to ensure that the persons identified below perform in accordance with acceptable business standards. The information collected will not be disclosed outside the Department except as required by law.

Name of Issuer **Massachusetts Housing Finance Agency**

Issuer ID Number **4281**

Resolved First, that

Charles C. Karimbakas, Financial Director

Name and Title of Officer Signature

Stephen Vickery, Comptroller

Name and Title of Officer Signature

Paul J. Scola, Manager of Finance and Bond Compliance

Name and Title of Officer Signature

Joseph D. Mullen, Loan Servicing Manager

Name and Title of Officer Signature

Nicholas Ye, Supervisor of Loan Servicing

Name and Title of Officer Signature

Paul O'Leary, Mortgage Officer

Name and Title of Officer Signature

Kathleen Connolly Perez, Finance and Bond Specialist

Name and Title of Officer Signature

Colin McNiece, General Counsel

Name and Title of Officer Signature

of this corporation, or any one or more of them, be and each of them is hereby authorized and empowered in the name of and on behalf of this corporation and under its corporate seal, from time to time while these resolutions are in effect, to execute and deliver to the Government National Mortgage Association, in the form prescribed by said Association, with respect to the issue(s) by this corporation, under Section 306(g) of the National Housing Act and the Regulations pertaining thereto, of mortgage-backed securities to be guaranteed by the Association, any documents required to: (a) make applications to Ginnie Mae in the name of and on behalf of this corporation for approval to become an Issuer and for Ginnie Mae commitments to guarantee such mortgage-backed securities issued by this corporation; (b) enter into contracts with Ginnie Mae for the latter's guaranty of mortgage-backed securities issued in accordance with the terms and conditions of commitments to guarantee, issued by the Association to this corporation; (c) merge mortgage notes, deeds of trust and bonds now owned or hereafter acquired by this corporation into pools or loan packages, against which this corporation may issue mortgage-backed securities; (d) enter into any agreements, execute any documents or papers, and furnish any information required or deemed necessary or proper by the Association in connection with any of the foregoing; and (e) abide by all the terms and conditions set forth in the Ginnie Mae Mortgage-Backed Securities Guide.

Resolved Second, that the above named officers, be and they are hereby authorized and empowered in their discretion and as occasion may arise to receive and endorse the name of this corporation on any checks or drafts representing the proceeds from collections made by servicers of mortgages pertaining to pools or loan packages, and to issue and sign any checks or drafts issued to pay to the security holders their pro rata shares in these proceeds, and to do and perform any and all acts and to execute any and all additional instruments or agreements, from time to time, in the name of and on behalf of this corporation under its corporate seal or otherwise, deemed necessary or proper by the Association in connection with the formation of mortgage pools or loan packages, the issuance of mortgage-backed securities, the guaranty of mortgage-backed securities by the Association and the discharge of the duties and obligations of this corporation, as issuer, until the proceeds of the last maturing mortgage in any pool or loan package is remitted to registered security holders.

Resolved Third, that any contracts or agreements heretofore made with said Association on behalf of this corporation, and all acts of officers or agents of this corporation in connection with any contracts to be entered into for the guaranty by the Association of mortgage-backed securities to be issued by this corporation are hereby ratified and confirmed.

Resolved Fourth, that Ginnie Mae is authorized to rely upon the aforesaid resolution until receipt by it of written notice thirty days in advance of any proposed change therein.

Previous editions are obsolete.

**Resolution of Board of Directors
and Certificate of Authorized
Signatures**

(Please type all entries)

**U.S. Department of Housing
and Urban Development**
Government National Mortgage Association

OMB Approval No. 2503-0033 (Exp. 03/31/2015)

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Name of Issuer **Massachusetts Housing Finance Agency**

Issuer ID Number **4281**

Resolved First, that

Mark H. Teden, Vice President of Multifamily Programs

| | |
|---------------------------|-----------|
| Name and Title of Officer | Signature |
| Name and Title of Officer | Signature |
| Name and Title of Officer | Signature |
| Name and Title of Officer | Signature |
| Name and Title of Officer | Signature |
| Name and Title of Officer | Signature |
| Name and Title of Officer | Signature |
| Name and Title of Officer | Signature |
| Name and Title of Officer | Signature |

of this corporation, or any one or more of them, be and each of them is hereby authorized and empowered in the name of and on behalf of this corporation and under its corporate seal, from time to time while these resolutions are in effect, to execute and deliver to the Government National Mortgage Association, in the form prescribed by said Association, with respect to the issue(s) by this corporation, under Section 308(g) of the National Housing Act and the Regulations pertaining thereto, of mortgage-backed securities to be guaranteed by the Association, any documents required to: (a) make applications to Ginnie Mae in the name of and on behalf of this corporation for approval to become an issuer and for Ginnie Mae commitments to guarantee such mortgage-backed securities issued by this corporation; (b) enter into contracts with Ginnie Mae for the latter's guaranty of mortgage-backed securities issued in accordance with the terms and conditions of commitments to guarantee, issued by the Association to this corporation; (c) merge mortgage notes, deeds of trust and bonds now owned or hereafter acquired by this corporation into pools or loan packages, against which this corporation may issue mortgage-backed securities; (d) enter into any agreements, execute any documents or papers, and furnish any information required or deemed necessary or proper by the Association in connection with any of the foregoing; and (e) abide by all the terms and conditions set forth in the Ginnie Mae Mortgage-Backed Securities Guide.

Resolved Second, that the above named officers, be and they are hereby authorized and empowered in their discretion and as occasion may arise to receive and endorse the name of this corporation on any checks or drafts representing the proceeds from collections made by servicers of mortgages pertaining to pools or loan packages, and to issue and sign any checks or drafts issued to pay to the security holders their pro rata shares in these proceeds, and to do and perform any and all acts and to execute any and all additional instruments or agreements, from time to time, in the name of and on behalf of this corporation under its corporate seal or otherwise, deemed necessary or proper by the Association in connection with the formation of mortgage pools or loan packages, the issuance of mortgage-backed securities, the guaranty of mortgage-backed securities by the Association and the discharge of the duties and obligations of this corporation, as issuer, until the proceeds of the last maturing mortgage in any pool or loan package is remitted to registered security holders.

Resolved Third, that any contracts or agreements heretofore made with said Association on behalf of this corporation, and all acts of officers or agents of this corporation in connection with any contracts to be entered into for the guaranty by the Association of mortgage-backed securities to be issued by this corporation are hereby ratified and confirmed.

Resolved Fourth, that Ginnie Mae is authorized to rely upon the aforesaid resolution until receipt by it of written notice thirty days in advance of any proposed change therein.

Previous editions are obsolete.

Certification.

I Hereby Certify that the foregoing is a true and correct copy of a resolution presented to and adopted by the Board of Directors of
the Massachusetts Housing Finance Agency

at a meeting duly called and held at One Beacon Street, Boston, MA 02108

on the 14th day of May, 2019, at which a quorum was present and voted, and that such resolution is duly recorded in the minute book of this corporation; that the officers named in said resolution have been duly elected or appointed to, and are the present incumbents of, the respective offices set after their respective names. I also certify that the signatures set opposite the officers' names are true and genuine specimens of the officers' respective signatures.

In Witness Whereof, I have hereunto signed my name and affixed the seal of this corporation.

(Seal)

Carol McIver, Assistant Secretary
Secretary

I, Chrystal Kornegay

Name of officer

Executive Director

Title of officer

of the Massachusetts Housing Finance Agency

Name of institution

, located

in Boston, Massachusetts

Location of institution

hereby certify that

Carol McIver

Name of secretary

is the duly qualified and acting secretary

of the Massachusetts Housing Finance Agency

Name of institution

and that the signature appearing above is his/her genuine signature.

In Witness Whereof, I have hereunto signed my name

Date

Officer Signature

**Resolution of Board of Directors
and Certificate of Authorized
Signatures**

(Please type all entries)

**U.S. Department of Housing
and Urban Development**
Government National Mortgage Association

OMB Approval No. 2503-0033 (Exp. 03/31/2015)

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Name of Issuer **Massachusetts Housing Finance Agency**

Issuer ID Number **4396**

Resolved First, that

Charles C. Karimbakas, Financial Director

Name and Title of Officer Signature

Stephen E. Vickery, Comptroller

Name and Title of Officer Signature

Paul J. Scola, Manager of Finance & Bond Compliance

Name and Title of Officer Signature

Stephen L. Payson, Director of Home Ownership Lending Ops.

Name and Title of Officer Signature

Jeremy O. Meneses, Manaer of Secondary Marketing

Name and Title of Officer Signature

Theresa M. Salvias, Mortgage Accounting Supervisor

Name and Title of Officer Signature

Gary A. Brown, Sr. Manager of Accounting & Asset Mgmt.

Name and Title of Officer Signature

Colin McNiece, General Counsel

Name and Title of Officer Signature

of this corporation, or any one or more of them, be and each of them is hereby authorized and empowered in the name of and on behalf of this corporation and under its corporate seal, from time to time while these resolutions are in effect, to execute and deliver to the Government National Mortgage Association, in the form prescribed by said Association, with respect to the issue(s) by this corporation, under Section 306(g) of the National Housing Act and the Regulations pertaining thereto, of mortgage-backed securities to be guaranteed by the Association, any documents required to: (a) make applications to Ginnie Mae in the name of and on behalf of this corporation for approval to become an issuer and for Ginnie Mae commitments to guarantee such mortgage-backed securities issued by this corporation; (b) enter into contracts with Ginnie Mae for the latter's guaranty of mortgage-backed securities issued in accordance with the terms and conditions of commitments to guarantee, issued by the Association to this corporation; (c) merge mortgage notes, deeds of trust and bonds now owned or hereafter acquired by this corporation into pools or loan packages, against which this corporation may issue mortgage-backed securities; (d) enter into any agreements, execute any documents or papers, and furnish any information required or deemed necessary or proper by the Association in connection with any of the foregoing; and (e) abide by all the terms and conditions set forth in the Ginnie Mae Mortgage-Backed Securities Guide.

Resolved Second, that the above named officers, be and they are hereby authorized and empowered in their discretion and as occasion may arise to receive and endorse the name of this corporation on any checks or drafts representing the proceeds from collections made by servicers of mortgages pertaining to pools or loan packages, and to issue and sign any checks or drafts issued to pay to the security holders their pro rata shares in these proceeds, and to do and perform any and all acts and to execute any and all additional instruments or agreements, from time to time, in the name of and on behalf of this corporation under its corporate seal or otherwise, deemed necessary or proper by the Association in connection with the formation of mortgage pools or loan packages, the issuance of mortgage-backed securities, the guaranty of mortgage-backed securities by the Association and the discharge of the duties and obligations of this corporation, as issuer, until the proceeds of the last maturing mortgage in any pool or loan package is remitted to registered security holders.

Resolved Third, that any contracts or agreements heretofore made with said Association on behalf of this corporation, and all acts of officers or agents of this corporation in connection with any contracts to be entered into for the guaranty by the Association of mortgage-backed securities to be issued by this corporation are hereby ratified and confirmed.

Resolved Fourth, that Ginnie Mae is authorized to rely upon the aforesaid resolution until receipt by it of written notice thirty days in advance of any proposed change therein.

Previous editions are obsolete.

**Resolution of Board of Directors
and Certificate of Authorized
Signatures**

(Please type all entries)

**U.S. Department of Housing
and Urban Development**
Government National Mortgage Association

OMB Approval No. 2503-0033 (Exp. 03/31/2015)

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Name of Issuer **Massachusetts Housing Finance Agency**

Issuer ID Number **4396**

Resolved First, that

Patrick Gavin, Secondary Marketing Analyst

Name and Title of Officer Signature

James Connolly, Financial Specialist II

Name and Title of Officer Signature

of this corporation, or any one or more of them, be and each of them is hereby authorized and empowered in the name of and on behalf of this corporation and under its corporate seal, from time to time while these resolutions are in effect, to execute and deliver to the Government National Mortgage Association, in the form prescribed by said Association, with respect to the issue(s) by this corporation, under Section 306(g) of the National Housing Act and the Regulations pertaining thereto, of mortgage-backed securities to be guaranteed by the Association, any documents required to: (a) make applications to Ginnie Mae in the name of and on behalf of this corporation for approval to become an issuer and for Ginnie Mae commitments to guarantee such mortgage-backed securities issued by this corporation; (b) enter into contracts with Ginnie Mae for the latter's guaranty of mortgage-backed securities issued in accordance with the terms and conditions of commitments to guarantee, issued by the Association to this corporation; (c) merge mortgage notes, deeds of trust and bonds now owned or hereafter acquired by this corporation into pools or loan packages, against which this corporation may issue mortgage-backed securities; (d) enter into any agreements, execute any documents or papers, and furnish any information required or deemed necessary or proper by the Association in connection with any of the foregoing; and (e) abide by all the terms and conditions set forth in the Ginnie Mae Mortgage-Backed Securities Guide.

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Resolved Third, that any contracts or agreements heretofore made with said Association on behalf of this corporation, and all acts of officers or agents of this corporation in connection with any contracts to be entered into for the guaranty by the Association of mortgage-backed securities to be issued by this corporation are hereby ratified and confirmed.

Resolved Fourth, that Ginnie Mae is authorized to rely upon the aforesaid resolution until receipt by it of written notice thirty days in advance of any proposed change therein.

Previous editions are obsolete.

Certification.

I Hereby Certify that the foregoing is a true and correct copy of a resolution presented to and adopted by the Board of Directors of
the Massachusetts Housing Finance Agency

at a meeting duly called and held at One Beacon Street, Boston, MA 02108

on the 14th day of May, 2019, at which a quorum was present and voted, and that such resolution is duly recorded in the minute book of this corporation; that the officers named in said resolution have been duly elected or appointed to, and are the present incumbents of, the respective offices set after their respective names. I also certify that the signatures set opposite the officers' names are true and genuine specimens of the officers' respective signatures.

In Witness Whereof, I have hereunto signed my name and affixed the seal of this corporation.

(Seal)

Carol G. McIver, Assistant Secretary
Secretary

I, Chrystal Kornegay Executive Director
Name of officer Title of officer

of the Massachusetts Housing Finance Agency, located
Name of institution

in Boston, Massachusetts hereby certify that
Location of institution

Carol G. McIver, Assistant Secretary, is the duly qualified and acting secretary
Name of secretary

of the Massachusetts Housing Finance Agency
Name of institution

and that the signature appearing above is his/her genuine signature.

In Witness Whereof, I have hereunto signed my name

Date

Officer Signature

Votes Pertaining to the Officers of MassHousing and MassHousing’s Affiliates: The Massachusetts Housing Finance Agency Property Acquisition and Disposition Corporation (“PADCO”) and The Center for Community Recovery Innovations, Inc. (“CCRI”)

Chairman Dirrane called for a vote to elect Colin McNiece to serve as the Secretary of MassHousing. Upon a motion duly made and seconded it was

VOTED: That Colin McNiece is hereby elected to serve as the Secretary of MassHousing.

Chairman Dirrane then called for a motion to recess the MassHousing meeting to conduct votes to name Colin McNiece the Clerk of PADCO and the Clerk of CCRI. Upon a motion duly made and seconded, it was

VOTED: To recess the MassHousing meeting and convene a meeting of the Massachusetts Housing Finance Agency Property Acquisition and Disposition Corporation (PADCO)

Chairman Dirrane called for a vote to elect Colin McNiece to serve as the Clerk of PADCO. Upon a motion duly made and seconded, it was

VOTED: That Colin McNiece is hereby elected to serve as the Clerk of PADCO.

Chairman Dirrane called for a motion to adjourn the meeting of PADCO and convene the CCRI meeting. Upon a motion duly made and seconded, it was

VOTED: To adjourn the PADCO meeting and convene a meeting of the Center for Community Recovery Innovations, Inc. (CCRI).

Chairman Dirrane then called for a vote to elect Colin McNiece to serve as the Clerk of Center for Community Recovery Innovations (CCRI). Upon a motion duly made and seconded, it was

VOTED: That Colin McNiece is hereby elected to serve as the Clerk of CCRI.

Chairman Dirrane called for a motion to adjourn the CCRI meeting and reconvene the MassHousing meeting. Upon a motion duly made and seconded, it was

VOTED: To adjourn the CCRI meeting and reconvene the MassHousing meeting.

Cynthia Lacasse announced Meaghan McCarthy was leaving MassHousing for a new position at the Housing Partnership Network. Ms. Lacasse thanked Meaghan for all her hard work at MassHousing. Chairman Dirrane also thanked Ms. McCarthy for her years of service.

LOAN COMMITTEE

The Tannery – Peabody

Meaghan McCarthy presented a proposal for Commitment of Tax-Exempt Construction/Permanent Loan; Commitment of Tax-Exempt/Taxable Equity Bridge Loan; Commitment of 13A Preservation Loan; Commitment of 13A Tenant Protection Loan; and Official Action Status for The Tannery in Peabody.

The Tannery is an existing 284-unit mixed-income development located in Peabody. WinnDevelopment is seeking an allocation of up to \$36,400,000 in tax-exempt proceeds for the acquisition, preservation, and rehabilitation of this matured Section 13A property. There are 235 former Section 13A units at the development and all of them will be preserved under the transaction. This transaction represents an acquisition under the Massachusetts Section 40T law, with the Developer serving as Department of Housing and Community Development’s (DHCD) 40T Designee. Under the proposed transaction, the Developer will acquire the Development from the current owner and rehabilitate the Development utilizing tax-exempt construction, permanent, and bridge financing from MassHousing. The proposal also includes State and Federal Low-Income Housing Tax Credit (LIHTC) equity, a \$9,000,000 subordinate 13A-specific Capital Improvement and Preservation Fund (“CIPF”) loan from DHCD, as well as a \$1,900,000 subordinate 13A Preservation Loan and a subordinate 13A Tenant Protection Loan of up to \$2,100,000 to be made from the MassHousing Opportunity Fund.

This proposal is for the preservation of all 235 former 13A units at this expired-use development in Peabody.

The current owner, Crowninshield, has entered into a purchase and sale agreement with the Developer who will acquire and preserve the Development as mixed-income housing. Effectively, this transaction will convert would-be market rate housing into a mixed-income development that preserves 235 units of affordable housing at the development.

The proposed Development is located in a residential area of Peabody, in close proximity to Peabody Square, which features retail, commercial and restaurants. Originally constructed in the late 1800s as an industrial tanning complex, the property was converted to residential use in the mid- to late-1970s. The property was originally financed with a subsidized Section 13A mortgage that matured on March 1, 2017.

The 284-unit development includes a total of four buildings, three residential buildings and one non-residential building that will include management offices and community space. The property is located near a pond and the property currently includes a dam, retaining wall, sluiceway, and other related infrastructure. Upon a motion duly made and seconded, it was

VOTED: (i) that the Massachusetts Housing Finance Agency (the “Agency” or “MassHousing”) grant Official Action Status and consider the application for tax-exempt financing for the multifamily development known as The Tannery in Peabody, Massachusetts (the “Development”) at such time as it is submitted;

(ii) that this vote serve as a declaration of official intent under Treasury Regulations Section 1.150-2 to fund all or a portion of costs paid or incurred after this date from the proceeds of a tax-exempt debt issue of the Agency if the Agency shall approve and fund the Development; (iii) that the issuance of tax-exempt debt by the Agency not be in excess of \$40,000,000 in principal amount for the Development; and (iv) that the issuance of debt occur not later than 18 months after the latest to occur of (a) the date on which the earliest expenditure subject to Treasury Regulations Section 1.150-2 is paid, (b) the date on which the property is placed in service or abandoned, but in no event more than three years after the earliest expenditure is paid, or (c) the date otherwise permitted by the Internal Revenue Code or Treasury Regulations promulgated thereunder.

OFFICIAL ACTION STATUS FINDINGS

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

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

Mortgage Loans and Low-Income Housing Tax Credits

VOTED: To approve the findings and determinations contained in Attachment C hereto and to authorize (a) a construction and permanent first mortgage loan in a principal amount of up to \$28,300,000, to be insured upon completion under the HUD HFA Risk Sharing Program, and (b) a subordinate equity bridge mortgage loan in a principal amount of up to \$17,000,000, in each case to be made to Tannery Limited Partnership or another single-purpose entity controlled by WinnDevelopment Company Limited Partnership (the "Borrower") as owner of the multifamily residential development known as "The Tannery" (the "Development") and located in Peabody, 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:

1. The Borrower shall provide such evidence to the General Counsel as may be reasonably requested in order to confirm that the mortgaged property is

not located in a floodway, as required to qualify the first mortgage loan for insurance under the HUD HFA Risk Sharing Program. In the event that the first mortgage loan fails to qualify for Risk Sharing insurance because the mortgaged property is located in a floodway, the first mortgage loan may nonetheless be authorized by the Executive Director without Risk Sharing insurance subject to such additional requirements as determined by the Executive Director or Vice President of Multifamily Programs, in consultation with the General Counsel and Financial Director.

2. The Borrower shall provide all documentation relating to the proposed subdivision and conveyance of an abutting parcel containing a dam to an affiliate of the Borrower, and its subsequent conveyance to the City of Peabody following completion of repairs to the dam, including, but not limited to, the proposed memorandum of understanding between the affiliate and City of Peabody, subdivision plan, easement agreement, quitclaim deed(s), repair plans and specifications, and repair contract. Any agreement providing for the contribution of project funds toward the repair or maintenance of the dam shall be subject to approval by the Director of Rental Underwriting and General Counsel. The Borrower shall further provide or obtain such assurances as may be required by the Director of Rental Underwriting and General Counsel to ensure completion of dam repairs by the affiliate as necessary to satisfy state requirements and effect conveyance of the dam to the City of Peabody.

**FURTHER
VOTED:**

That the amount of 4% Credits, as set by the Executive Director, the Vice President of Multifamily Programs, the Director of Rental Business Development, the Director of Rental Underwriting, the General Counsel or the designee of any of the foregoing, prior to loan closing, to be used in connection with the Development will not exceed the amount which is necessary for the financial feasibility of the Development and its viability as a qualified low-income housing project throughout the credit period, having taken into consideration:

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

FURTHER

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

FURTHER

VOTED: To approve a subordinate mortgage loan to the Borrower for the Development in an amount not to exceed \$1,900,000 (1) to be funded from that portion of the Opportunity Fund approved by the Agency on March 8, 2016, designated and reserved for preservation of the Section 13A portfolio and (2) subject to such terms and conditions as approved by the Executive Director or Deputy Director, or their respective designees and to any applicable delegations of authority previously approved by the Agency.

FURTHER

VOTED: To approve a subordinate mortgage loan to the Borrower for the Development in an amount not to exceed \$2,100,000 (1) to be funded from that portion of the Opportunity Fund approved by the Agency on March 8, 2016, designated and reserved for preservation of the Section 13A portfolio and (2) subject to such terms and conditions as approved by the Executive Director or Deputy Director, or their respective designees and to any applicable delegations of authority previously approved by the Agency.

FURTHER

VOTED: To authorize the Executive Director and 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 mortgage loans authorized in the first vote set forth above, 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 his or her designee.

**ATTACHMENT C
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

Fifty-seven units (20%) 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 (approximately 1,794 units) in the area revealed a strong rental market with increasing rental and occupancy rates. Current occupancy rates of the five comparable properties reviewed averaged approximately 96.5%, and range between 94% and 100%. Review of similar mixed income/subsidized portfolio properties (1,304 units) demonstrated a weighted average vacancy rate of approximately 3.8%

REIS, Inc. data (4th Qtr. 2018) for the subject's North Shore/Merrimack River Valley submarket has a vacancy rate at 4.0% YTD (5.3% Boston Metro). This rate is projected to increase to 4.8% over the next five years, while the Boston Metro is projected to increase to 5.6%. Vacancies in the North Shore/Merrimack River Valley submarket have averaged approximately 3.4% over the last five years, and the Boston Metro has averaged 4.9% over the last five years.

REIS, Inc. submarket data for the Class A building type (15,015 units) indicates a 4th Qtr. 2018 vacancy rate of 7.6% and an average asking rent of \$2,166. REIS, Inc. submarket data for the subject's Class B/C building type (19,664 units) indicates a 4th Qtr. 2018 vacancy rate of 2.5% at an average asking rent of \$1,719. The Development when renovated along with the proposed amenities, more closely reflects the Class B/C property type and is reflected in both the vacancy rate and market rent potential. One of the comparable properties reviewed was offering rental concessions of a \$99 security deposit. The 4th Qtr. 2018 REIS, Inc. data indicated that the North Shore/Merrimack River Valley submarket is offering only 0.38 months free rent.

According to the Department of Housing and Community Development's (DHCD) *Chapter, 40B Subsidized Housing Inventory (09/17/17)*, the City of Peabody has 22,135 year-round housing units, 2,051 (9.3%) of which are subsidized for low/moderate income households.

The Peabody Housing Authority (PHA) owns and/or operates 5 Family Public Housing developments which contain approximately 137 two- and three-bedroom units and 7 Elderly/Disabled developments that contain 35 studios, 280 one-bedroom units, 7 two-bedroom units and 24 congregate units. Per the representative of PHA, there are 836 applicants on the family waitlist and 2,015 Elderly applications on the elderly/disabled wait list, with 741 of those applicants indicating that they need some type of disabled housing.

PHA also Housing administers 337 Section 8 Housing Vouchers, however, due to budget constraints, only 262 HCV are active. Per the Peabody Housing Authority, they participate in the centralized waiting list administered through the state and believe there are thousands on that list but do not have specifics on the centralized list. PHA also administers 48 MRVP Mobile Vouchers and 42 other Project Based and per the representative are 308 applicants on the waiting list.

U. S. Census data from the 2013-2017 American Community Survey (ACS) indicates that of the 21,467 households in the City of Peabody, approximately 72% earned less than the HUD published 2018 AMI (\$107,8000), approximately 45% earned less than 50% of 2018 AMI, approximately 48.6% earned less than 60% of the 2018 AMI, and approximately 58.5% 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. The Development is an existing development that serves low-income households, and the site is in a residential neighborhood that includes low-income and market rate residential housing.

(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.

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 | 20 | 234 | 30 |
| Net SF/Unit | 475 | 749 | 963 |
| Elev./Non-Elev. | E | E | E |
| Market Rate Rent (10% Rate 20 Yr. Term) | \$1,830 | \$1,875 | \$2,042 |
| MHFA Below Market Rent (Cost-Based Rent) | \$1,319 | \$1,364 | \$1,531 |

| | | | |
|---------------------------|---------------|---------|---------|
| MHFA Adjusted Rent | 30% of Income | | |
| Underwriting Rents | | | |
| MRVP | \$1,394 | \$1,561 | \$1,902 |
| 60% AMI | \$1,132 | \$1,213 | \$1,456 |
| 80% AMI | \$1,420 | \$1,521 | \$1,825 |
| Market/Unrestricted | \$0 | \$1,269 | \$1,429 |

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.

Colonial Village - Weymouth

Kathleen Evans presented a proposal for Commitment of Tax-Exempt Conduit Loans, Commitment of 13A Tenant Protection Loan, and Official Action Status for Colonial Village in Weymouth. Colonial Village is an 89-unit building in close proximity to the Greenbush Line Commuter Rail, the Tufts Public Library, and multiple retail establishments. All 89 of the units formerly benefitted from, and were made affordable through, a subsidized Section 13A mortgage. Colonial Village was originally financed in 1971 with a subsidized Section 13A mortgage that matured on March 1, 2018. At this time, the units are not subject to a use restriction, and tenants are protected through 40T for the next two years.

This proposal is for the preservation of all 89 units at this expired-use development in Weymouth.

The current owner, Belveron, has entered into a purchase and sale agreement with the Sponsor who will acquire and preserve the Development as affordable housing. Effectively, this transaction will convert would-be market rate housing to affordable housing.

The Development comprises one building, and this transaction will allow for over \$53,000 per unit in rehabilitation.

The proposed scope of the rehabilitation includes remediation of water infiltration, life and safety repairs, and kitchen and bathroom improvements. Upon a motion duly made and seconded, it was

VOTED: To approve the findings and determinations contained in Attachment A hereto and to authorize the issuance of multifamily tax-exempt obligations in an estimated principal amount of \$10,500,000, in one or more series pursuant to one or more indentures and/or financing agreements with such terms, interest rates, redemption provisions and maturity schedules as shall be approved by any of the Executive Director, General Counsel, Finance Director, Comptroller, Manager of Finance and Bond Compliance, acting singly, and any officer or employee of MassHousing acting in such capacity or otherwise authorized to perform specific acts or duties

by resolution of MassHousing (each an “Authorized Officer”), each Authorized Officer, acting singly, being authorized to execute and deliver such agreements and any other documents, instruments, and agreements necessary to effectuate the purposes of the conduit financing described herein, with the proceeds of such issuance to be lent to Colonial Village LLC (or an alternatively-named single-purpose limited partnership for the purpose of making use of 4% Low-Income Housing Tax Credits (“LIHTC”) and owning Colonial Village) (the “Borrower”) as owner of the multifamily residential development known as “Colonial Village” (the “Development”) and located in Weymouth, Massachusetts, and in accordance with the applicable Conduit Loan Closing Standards approved by the Agency on September 12, 2017 and 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.

OFFICIAL ACTION STATUS FINDINGS:

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

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

VOTED: To approve the findings and determinations contained in Attachment A hereto and to authorize each of a short- and a long-term tax-exempt conduit loan in an estimated combined principal amount of \$10,500,000, in each case to be made to Colonial Village LLC (the “Borrower”) (or an alternatively-named single-purpose limited partnership for the purpose of making use of 4% Low-Income Housing Tax Credits (“LIHTC”) and owning Colonial Village) as owner of the multifamily residential development known as “Colonial Village” (the “Development”) and located in Weymouth, Massachusetts, to be made in accordance with the applicable Conduit Loan Closing Standards approved by the Agency on September 12, 2017 and the general delegations of authority previously adopted by the Agency; and further subject to (1) compliance with all applicable laws and regulations and requirements of applicable financing programs; and (2) the following special condition(s): None.

**FURTHER
VOTED:**

That the amount of 4% Credits, as set by the Executive Director, the Vice President of Multifamily Programs, the Director of Rental Business Development, the Director of Rental Underwriting, the General Counsel or the designee of any of the foregoing, prior to loan closing, to be used in connection with the Development will not exceed the amount which is necessary for the financial feasibility of the Development and its viability as a qualified low-income housing project throughout the credit period, having taken into consideration:

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

**FURTHER
VOTED:**

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

**FURTHER
VOTED:**

To approve a subordinate mortgage loan to the Borrower for the Development in an amount not to exceed \$1,100,000 (1) to be funded from that portion of the Opportunity Fund approved by the Agency on March 8, 2016, designated and reserved for preservation of the Section 13A portfolio and (2) subject to such terms and conditions as approved by the Executive Director or Vice President of Multifamily Programs, or their respective designees and to any applicable delegations of authority previously approved by the Agency.

**FURTHER
VOTED:**

To authorize the Executive Director and Deputy Director, 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 mortgage loans, and (2) such subordinate mortgage loans shall be subject to MassHousing's

requirements pertaining to subordinate mortgages, in a manner acceptable to MassHousing's General Counsel or his designee.

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:

(3) Provision of Low-income Set-aside Units

Ninety of the ninety 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.

(4) Shortage of Affordable Housing Units in the Market Area

In-house data for larger market and mixed-income complexes (approximately 1,659 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 97.4%, and range between 95.3% and 100%.

REIS, Inc. data (4th Qtr. 2018) for the subject's South Shore/Route 128 South submarket has a vacancy rate at 5.3% YTD (5.3% Boston Metro). This rate is projected to increase to 6.1% over the next five years, while the Boston Metro is projected to increase to 5.6%. Vacancies in the South Shore/Route 128 South submarket have averaged approximately 4.5% over the last five years, while the Boston Metro has averaged 4.9% over the last five years.

REIS, Inc. submarket data for the Class A building type (15,222) indicates a 4th Qtr. 2018 vacancy rate of 5.5% and an average asking rent of \$2,085 and, REIS, Inc. submarket data for the subject's Class B/C building type (10,324 units) indicates a 4th Qtr. 2018 vacancy rate of 3.9% at an average asking rent of \$1,810. The development when completed along with the proposed amenities, more closely reflects the Class B/C property type, and is reflected in both the vacancy rate and market rent potential. The 4th Qtr. 2018 REIS, Inc. data indicates that South Shore/Route 128 South submarket is offering .68 months free rent and Boston Metro is offering .55 months free rent. None of the comparable properties reviewed were offering concessions.

According to the Department of Housing and Community Development's (DHCD) Chapter 40B Subsidized Housing Inventory (9/14/17), the City of Weymouth 23,337 has year-round housing units, 1,771(7.6%) of which are subsidized for low/moderate income households.

Per information contained in the City of Weymouth's Five Year Consolidated Plan, the Weymouth Housing Authority (WHA) owns and /or operates 2 State funded Elderly public housing with a total of 216 one-bedroom units, with a total of 135 applicants on the wait list. WHA also owns 1 Federally funded elderly/disabled public housing units with 30 one-bedroom units with a total of 59 applicants on the wait list and 1 Federally funded family development with 20 two- bedroom units and 20 three -bedroom units with a total of 345 applicants on the wait list.

They also own one Stated funded Elderly/Family development consisting of 11 one- bedrooms units, 90 two-bedroom units, and 61 three-bedroom units, 21 four/five bedroom units and 6 units set aside for Elderly applicants. Per the representative of WHA there are a total of 371 applicants on the waiting list, broken down as follows; one-bedroom-6 applicants, two-bedroom, 187 applicants, three-bedroom, 158 applicants, four bedroom, 9 applicants and five-bedroom, 11 applicants.

They also administer 225 Housing Choice vouchers, consisting of 159 Housing Choice Vouchers and 66 Enhanced Vouchers. Per the WHA representative, they participate in the centralized waiting list administered through the state and the estimated wait time is between 8 and 12 years. They also administer 100 MRVP (MA Rental Voucher Program) and per the representative there are 957 applicants on the waiting list.

U.S. Census data from the 2013-2017 American Community Survey (ACS) indicates that of the 23,041 households in the City of Weymouth approximately 65.0% earned less than the HUD published 2019 AMI (\$113,300), approximately 39.3% earned less than 50% of 2019 AMI, approximately 47.0 % earned less than 60% of the 2019 AMI and approximately 55.3% earned less than 80% of the 2019 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 will change neither the current income mix of the Development nor that of its surrounding locality.

(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.

Rental Determinations:

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

Rent Schedule:

| | | |
|--|---------------------------|---------|
| Number of Bedrooms | 1 | 2 |
| Number of Units | 82 | 7 |
| Net SF/Unit | 557 | 826 |
| Elev. (E) / Non-Elev. (N) | Y | Y |
| Market Rate Rent (10% Rate 20-year term) | \$1,595 | \$1,852 |
| MHFA Below Market Rent (Cost-based Rent) | \$1,199 | \$1,456 |
| MHFA Rent Adjusted | 30% of 60% of area median | |
| Underwriting Rents | | |
| PB-MRVP | \$1,164 | |
| LIHTC | \$1,213 | \$1,456 |

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.

O’Shea House – Brookline

Deborah Morse presented a proposal for a Commitment for Tax-Exempt Conduit Loan (Short- and Long-Term) for O’Shea House in Brookline.

The Borrower seeks an allocation of up to \$25 million in tax-exempt loan proceeds for the acquisition and rehabilitation of the 100-unit O’Shea House located in Brookline (the “Development”). MassHousing will serve as the conduit lender under the Conduit Loan Program with Boston Private Bank & Trust (“Boston Private”) acting as the commercial lender. The conduit loan will be made by MassHousing from bond proceeds pursuant to a private issue to Boston Private. Boston Private will underwrite the first mortgage debt and will assume the risks associated with the construction period, lease-up and permanent loan.

Located at 61 Park Street in Brookline, the Development is a 100-unit elderly/disabled, 10-story high-rise building that includes 22 parking spaces and first floor common and administrative spaces. Originally constructed in 1969, the Development currently operates as federal public housing, funded by HUD under an Annual Contributions Contract, and has not been substantially rehabilitated since it opened.

Brookline Housing Authority has partnered with Springwell, a regional social service agency, to bring the CareConnection Program to the O'Shea House. The CareConnections Program offers an on-site care coordinator to assist residents with services as needed so that they may "age in community."

Upon a motion duly made and seconded, it was

VOTED: To approve the findings and determinations contained in Attachment A hereto and to authorize the issuance of multifamily tax-exempt obligations in an estimated principal amount of \$25,000,000, in one or more series pursuant to one or more indentures and/or financing agreements with such terms, interest rates, redemption provisions and maturity schedules as shall be approved by any of the Executive Director, General Counsel, Finance Director, Comptroller, Manager of Finance and Bond Compliance, acting singly, and any officer or employee of MassHousing acting in such capacity or otherwise authorized to perform specific acts or duties by resolution of MassHousing (each an "Authorized Officer"), each Authorized Officer, acting singly, being authorized to execute and deliver such agreements and any other documents, instruments, and agreements necessary to effectuate the purposes of the conduit financing described herein, with the proceeds of such issuance to be lent to 61 Park LLC or another single-purpose entity controlled by the Brookline Housing Authority (the "Borrower") as owner of the multifamily residential development known as "O'Shea House" (the "Development") and located in Brookline, Massachusetts, and in accordance with the applicable Conduit Loan Closing Standards approved by the Members of MassHousing on September 12, 2017 and delegations of authority previously approved by the Members of MassHousing, 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 amount of 4% Credits, as set by the Executive Director, the Vice President of Multifamily Programs, the Director of Rental Business Development, the Director of Rental Underwriting, the General Counsel or the designee of any of the foregoing, each acting singly, prior to loan closing, to be used in connection with the multifamily development located in Brookline, Massachusetts and known as "O'Shea House" (the "Development") will not exceed the amount which is necessary for the financial feasibility of the Development and its viability as a qualified low-income housing project throughout the credit period, having taken into consideration:

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

**FURTHER
VOTED:**

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

**FURTHER
VOTED:**

To authorize the Executive Director and 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 mortgage loans, and (2) such subordinate mortgage loans shall be subject to MassHousing's requirements pertaining to subordinate mortgages, in a manner acceptable to MassHousing's General Counsel or his designee.

**FURTHER
VOTED:**

That MassHousing authorizes the Executive Director or her designee to permit the owner and management agent of O'Shea House to use as its tenant selection plan and affirmative fair housing marketing plan a Brookline Housing Authority Administrative Plan prepared and approved by Brookline Housing Authority, subject to review and approval by MassHousing's Director of Rental Management.

ATTACHMENT A

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:

(5) The affordability of rents for 20% of the units:

100 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.

(6) Shortage of Affordable Housing Units in the Market Area

In-house data for larger market and mixed-income complexes (appx. 1,226 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 96.6 %, and range between 95% and 98.6%.

REIS, Inc. data (4th Qtr. 2018) for the subject's submarket (Brookline/Brighton/Newton) reflects a vacancy rate at 5.1% YTD (5.3% Boston Metro). This rate is projected to stay at 5.1% over the next five years, while the Boston Metro is projected to increase to 5.6%. Vacancies in the Brookline/Brighton submarket have averaged approximately 3.7% over the last five years, while the Boston Metro has averaged slightly higher at 5.1%.

REIS, Inc. submarket data for the Class A building type (7,014 units) indicates a 4th Qtr. 2018 vacancy rate of 8.0% and an average asking rent of \$3,040 and submarket data for the subject's Class B/C building type (12,011 units) indicates a 4th Qtr. 2018 vacancy rate of 3.4% at an average asking rent of \$1,941. The proposed updates and renovations will position the subject in the Class B/C building type.

None of the comparables reviewed were offering rent concessions. However, the on-going use of concessions in the subject's submarket was confirmed by 4th Qtr. 2018 REIS, Inc. data. The average lease terms in the submarket include .46 months Free Rent.

According to the Department of Housing and Community Development's (DHCD) Chapter 40B Subsidized Housing Inventory (9/14/2017), Brookline has 26,201 year-round housing units, 2,458 (9.4%) of which are subsidized for low/moderate income households.

Further, Brookline Housing Authority (BHA) Federally Assisted affordable rental housing stock includes properties financed through the following programs:

| Program | Properties | Units |
|----------------|------------|-------|
| Section 8 | 3 | 202 |
| LIHTC | 2 | 237 |
| Public Housing | 3 | 242 |
| Total: | 5 | 789 |

In addition, BHA provides 619 Section 8 rental vouchers in Brookline and the surrounding area. BHA participates in the Massachusetts Section 8 Housing Choice Voucher Centralized Waiting List. Per the BHA, the Section waiting list is open.

The following data regarding the BHA, Wait List for public housing was provided by BHA Application Department.

Wait List Statistics

| Type | BR Size | Total Apps | W/ Priority | Standard/Local | Standard/Non Local |
|--------------------------------|---------|------------|----------------|----------------|-----------------------|
| <i>Public Housing</i> | | | | | |
| Elderly/Disabled | 1 | 1,640 | 3-4 months | 9-12 months | 15 years + |
| Elderly/Disabled | 2 | 42 | 15 years + | 15 years + | 15 years + |
| <i>E/F*</i> Wheelchair | 1 | 65 | 8 years + | 8 years + | 8 years + |
| Wheelchair | 2 | 18 | 8 years + | 8 years + | 8 years + |
| Wheelchair | 3 | 8 | 8 years + | 8 years + | 8 years + |
| Wheelchair | 4 | 5 | 8 years + | | |
| Family | 1 | 147 | 15 years + | 15 years + | 15 years + |
| Family | 2 | 843 | 2-4 years | 3-4 years | 8 years + |
| Family | 3 | 407 | 2-4 years | 3-4 years | 8 years + |
| Family | 4 | 217 | 8 years + | 8 years + | 8 years + |
| Family | 5 | 19 | 8 years + | 8 years + | 8 years + |
| <i>Section 8</i> | | | | | |
| Central Wait List | - | 169,326 | 1-3 years | 25 years + | 25 years + |
| Beacon Park – <i>PBV**</i> | 1 | 70 | - | - | - |
| Beacon Park – <i>PBV</i> | 2 | 39 | - | - | - |
| Brookline Village – <i>PBV</i> | 1 | 6 | - | - | - |
| Brookline Village – <i>PBV</i> | 2 | 6 | - | - | - |
| Brookline Village – <i>PBV</i> | 3 | 6 | - | - | - |

U.S. Census data from the 2013-2017 American Community Survey (ACS) indicates that of the 24,716 households in the Town of Brookline, approximately 17.7% earn less than 30% of the HUD published 2018 AMI (\$107,800), approximately 26.5% earn less than 50% of the 2018 AMI, approximately 31.4% earn less than 60% of the 2018 AMI, and 39.2 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 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. Although it is a low-income development, it will be located adjacent to market-rate developments and are in areas that include a mix of residential and retail uses.

(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.

| Rent Schedule | |
|-------------------------------|---------------|
| Number of Bedrooms | 1 |
| Number of Units | 100 |
| Net SF/Unit | 450 |
| Elev./Non-Elev. | E |
| Market Rate Rent | \$3,132 |
| (10% Rate 20 Yr. Term) | |
| MHFA Below Market Rent | \$2,488 |
| (Cost-Based Rent) | |
| MHFA Adjusted Rent | 30% of Income |
| Underwriting Rents | |
| LIHTC 60% AMI S.8 PBRA | \$919 |
| LIHTC 60% AMI PBV | \$1,981 |
| Utility Allowance | \$0 |

Phillips Brooks House – Dorchester

Michael Carthas, Associate Underwriter, presented a proposal for Restructuring of Existing MassHousing and SHARP Debt; Forgiveness of Interest on MassHousing Debt; Commitment of a new SHARP Capital Needs Loan and a Level One Transfer of Ownership.

Phillips Brooks School Limited Partnership (the “Current Owner”), an affiliate of Winn and the current owner of Phillips Brooks School (the “Development”), has requested restructuring of the existing MassHousing and SHARP debt, forgiveness of \$4,617,115 in existing MassHousing and SHARP interest debt and a New SHARP Capital Needs Loan up to \$4,694,753.

The Development, governed by a Forbearance Agreement since 2003, has substantial capital needs. The proposed restructuring will ensure the affordability and long-term stability of the Development. An extended affordability covenant will be placed on the Development in perpetuity covering 47 of the 56 total units.

A similar restructuring proposal, including a new SHARP Capital Needs Loan, and a Level One Transfer of Ownership, was originally approved in December 2014. However, due to a legal dispute arising from the proposal of the Level One Transfer, the transaction stalled. Since then, the dispute has been resolved, allowing the transaction to move forward as currently proposed.

The Current Owner requests MassHousing’s approval for a new Level One Transfer of Ownership. While there are several limited and general partners in the current ownership structure, Winn and Quincy Geneva Housing Corporation are the only entities that will remain after the Transfer of Ownership, with Winn continuing as the controlling entity. The transfer of ownership will happen subsequent to the loan restructuring, loan forgiveness and commitment of the New SHARP Loan, and the New Borrower (as defined below) will assume all obligations of the Current Owner.

Located at Perth and Quincy Streets in the Dorchester neighborhood of Boston, Phillips Brooks School is a 56-unit development comprised of ten buildings. The Development was converted to its current use in 1989. All 56 units are for families, and two of those units are fully accessible. Twenty-seven units have mobile Section 8 Rental Vouchers. Upon a motion duly made and seconded, it was

VOTED: To authorize a restructuring of the debt requested by Phillips Brooks School Limited Partnership or another single-purpose entity controlled by Winn and Quincy Geneva Housing Corporation (the “Current Owner”), the current owner of Phillips Brooks School (the “Development”), located in Boston, Massachusetts, on such terms and conditions as required by the Executive Director or Vice President of Multifamily Programs, generally on the terms set forth above and in accordance with the applicable general closing standards and delegations of authority previously approved by the Board, as deemed applicable by the Vice President of Multifamily Programs or the General Counsel, and further subject to (1)

compliance with all applicable laws and all regulations and requirements of applicable financing programs, and (2) the Special Conditions set forth below, with such changes thereto as may be approved by the Vice President of Multifamily Programs;

SPECIAL CONDITIONS:

1. The Current Owner shall execute a release of all claims relating to the Development in form and substance acceptable to the General Counsel.
2. The Current Owner shall provide evidence acceptable to MassHousing confirming the current status of CEDAC and City of Boston debt and request a write-down of any accrued interest, with any remaining debt to be deferred and subordinated to the MassHousing Loans and the SHARP Debt described above.
3. The Current Owner shall provide sufficient documentation to the General Counsel to evidence the forgiveness of SHARP interest debt.
4. The Current Owner shall execute on or before closing a Disposition Agreement, in the form required by the General Counsel, that shall subject the Development to affordability in perpetuity as follows:

That 41% (23) of the residential units at the Development be restricted to households with incomes not more than 50% of Area Median Income (AMI) and 43% (24) of the units to households with incomes not more than 80% of AMI. The rents shall not exceed 30% of such income limit, in perpetuity.
5. The Current Owner shall provide sufficient documentation to the General Counsel to evidence that the terms of the Settlement Agreement dated October 31, 2017 between the Current Owner and former general partners have been satisfied.

FURTHER

VOTED: To authorize the Executive Director to determine to make a loan to the Current Owner in the amount of up to \$4,694,753, to fund the initial deposit to the replacement reserve and Borrower transaction costs with SHARP funds available pursuant to the Memorandum of Understanding dated as of December 15, 2011, by and among MassHousing, DHCD and the Executive Office of Administration and Finance of the Commonwealth of Massachusetts;

FURTHER

VOTED: To authorize the Executive Director or her designee to forgive that portion of existing MassHousing interest debt required for the financial viability of the proposed transaction (estimated at \$3,444,554), as such amount may be adjusted at the discretion of the Executive Director;

FURTHER

VOTED: To approve the transfer of ownership of the Development from the Current Owner to Phillips Brooks II Limited Partnership (“the New Borrower”), and certain other transfers of general partner and limited partner interests such that the New Borrower shall be composed of the entities set forth in the attached Exhibit A, subject to the requirements of the Transfer of Ownership Policy approved by the Board on August 14, 2007, subject to the New Borrower’s assumption of all then-existing debt and obligations of the Current Owner, and further subject to any additional conditions required by the Vice President of Multi-Family Programs or the General Counsel;

FURTHER

VOTED: That the Executive Director, the Vice President of Multifamily Programs, and the General Counsel are each authorized to execute any and all documents required to consummate the transactions described in the votes above.

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

Chairman Dirrane asked for a motion to adjourn the meeting at 3:20p.m. Upon a motion duly made and seconded, it was

VOTED: To adjourn the MassHousing meeting at 3:20 p.m.

A true record.

Attest.



Colin McNiece
Secretary