Minutes of the Regular Meeting
of the Members of MassHousing
held on
July 11, 2023

The regular meeting of the Massachusetts Housing Finance Agency – doing business as MassHousing was held on July 11, 2023. In accordance with Section 20 of An Act Extending Certain COVID-19 Measures Adopted During the State of Emergency, 2021 Mass. Acts 20, as amended, no Members were physically present and the meetings were conducted remotely through a publicly accessible Zoom meeting.

Participating remotely were the Members (by roll call):

Members
Jeanne Pinado, Chair
Carolina Avellaneda, Vice Chair
Jerald Feldman
Tom Flynn
Carmen Panacopulos
Patricia McArdle
Kaitlyn Connors, Designee of Matthew Gorzkowicz, ex officio
Michael Dirrane

Members Not Participating
Edward Augustus, ex officio

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

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

Chair Pinado convened the meeting to order at 2:00 p.m. Chair Pinado then indicated that the first order of business was the approval of the minutes of the previous meeting. Upon a motion duly made and seconded, by roll call vote, of all the present Members (Michael Dirrane abstained), it was:

VOTED: That the minutes of the Regular Meeting of the Members held on June 13, 2023 are hereby approved and placed on record.
Executive Director’s Report

Chrystal Kornegay began her report by giving an update on MassHousing’s efforts so far in the creation of the Massachusetts Community Climate Bank, the nation’s first green bank dedicated to affordable housing. In the next 60 to 90 days we will be creating a business plan which will establish a structure for the bank as well as establish strategies for partnerships and financial projections. We will be seeking consulting firms and individuals who have familiarity with “green bank” institutions, talking with stakeholders, and gathering information. We will also be recruiting a Managing Director for the climate bank. In addition, we are looking forward to having Melissa Hoffer, Massachusetts’s first ever Climate Chief, come to our August board meeting. We are expecting to pursue federal funding but the procurement has not been released yet. Carmen Panacopoulos asked Ms. Kornegay what she needs from the board for this climate bank effort. Ms. Kornegay replied that once we have a business plan in place, we will have a clear idea of what our needs will be. In the next couple of months we will be meeting with Governor Healey’s climate staff. Chair Pinado offered her congratulations to the Agency for heading up this initiative.

Next Ms. Kornegay noted that some questions had arisen regarding today’s agenda items and asked Board members to communicate any questions regarding agenda items to either Chair Pinado or the Secretary, Colin McNiece.

Loan Committee

52 New Street, Cambridge

Emily Loomis presented a proposal for Official Action Status, commitment of a tax-exempt permanent loan, commitment of a tax-exempt equity bridge loan, approval for the use of low-income housing tax credits and commitment of a Workforce Housing loan.

The proposed financing will support the creation of a 106-unit mixed-use development known as 52 New Street (the “Development”) in North Cambridge. Just-A-Start Corporation (the “Sponsor”) proposes to create 106 income-restricted units and first floor commercial space on a one-acre site currently occupied by a vacant building and asphalt parking lot.

The Development will be constructed on a one-acre parcel (the “Site”) in North Cambridge immediately adjacent to the soccer fields at Danehy Park. The Site is close to Route 2, the Alewife MBTA station, and bus routes as well as retail, commercial, and educational opportunities. A portion of the Site sits atop a former landfill, which was capped off in the 1970s. The scope of work includes demolition of existing site uses and remediation of site conditions.

The Development will have six stories and will include 106 new mixed-income units. There will be a mix of one-, two-, and three-bedroom units. Residents will also have access to a lobby, community room, on-site business and fitness facilities, roof decks, 43 parking spaces, and 1:1
covered bike parking spaces. The first floor will include approximately 3,500 sq ft commercial space facing New Street. The Sponsor anticipates renting the space as an office use.

All 106 units will be subject to income restrictions with set-asides ranging from 30% of area median income (“AMI”) to 80% of AMI. Seventeen units will benefit from project-based rental assistance, of which eight (8) will benefit from a Project-Based Section 8 HAP contract and nine (9) will benefit from Project-Based MRVP.

An affiliated entity, 52 New Street Land LLC, purchased the land in 2020 and will enter a long-term ground lease with the mortgagor entity, 52 New Street Owner LLC

Chair Pinado asked about the source of the rent collection. Ms. Loomis replied there was a gym in the building at the time the Sponsor acquired the site and the Sponsor has set-aside the net revenue from the gym toward the Development.

Tom Flynn asked about the due diligence conducted to approve of the quality of the contractor for this development and asked if there is a policy in place regarding participating contractors. Mr. Flynn mentioned a lawsuit against this contractor by tenants over conditions at another project called Marina Bay. Mr. Dirrane said the design and construction team is responsible for reviewing the contractor. Mark Teden said that there is a process in place where we review financial statements for contractors and we look at credit reports and analyze their working capital. When MassHousing is the construction lender, the construction loan is bonded by a payment and performance bond. Mr. Teden noted that MassHousing is not the construction lender in this particular financing but the Sponsor is requiring similar payment and performance bonds. We also take into consideration the contractor’s prior experience generally as well as their prior MassHousing experience. It is a robust process. Mr. Teden added that most of the time the general contractor has been selected long before an application is made to MassHousing. Mr. Flynn suggested asking potential contractors if they have any pending lawsuits against them. After further discussion regarding this development, it was proposed to move this vote to the agenda for the August board meeting. Chair Pinado asked if delaying the vote would be a problem for the project. Mr. Teden stated moving the vote to August should not hold up the ultimate closing for this property. Ms. Kornegay also stated we will go back and do more due diligence and review the policy if necessary.
Chair Pinado asked if there was any other old or new business for the Members’ consideration.

There being no other old or new business, the meeting adjourned at 2:33 p.m.

A true record.

Attest.

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Colin M. McNiece
Secretary