

**Minutes of the Meeting  
of the Members of  
MassHousing  
held on  
July 9, 2019**

The regular meeting of the Massachusetts Housing Finance Agency – doing business as MassHousing was held on July 9, 2019 at MassHousing’s offices located at One Beacon Street in Boston, Massachusetts. In attendance were:

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

**Members  
Not Present** None

**Staff**

Carol McIver	Hana Migliorato
Colin McNiece	Nick Pittman
Chrystal Kornegay	Gary Brown
Laurie Bennett	Stephen Vickery
Maureen Burke	Paul Hagerty
Deb Morse	Dan Morales
Angelo Nuby	Chuck Karimbakas
Cibele Goncalves	Mounzer Aylouche
Nancy McDonald	Andrea Laing
Jeremy Meneses	Stephen Payson
Rich Petisce	Lisa Fiandaca
Patrick Gavin	Anna Reppucci
Bethany Wood	Monique Gibbs
Paul Mulligan	Francis Goyes
Mary Magliozzi	Kelly Johnson
Kevin Mello	Rachel Carson
Jen Foley	Kaitlyn Mulcahy
Sam John	Hanna Schutt
Amy Dominici	Anne Marie MacPherson
Mildred Mukasa	Myra Carmona
Ricky Ochilo	Sergio Ferreira
Shelby Rosenberg	

**Guests**      Tim Santucci, WinnCompanies  
Pearse O’Baill, WinnCompanies  
Paul Haley, Barclays  
Charles Carey, Mintz  
George Jaeger, Bank of America Merrill Lynch  
Paul Ladd, Bank of America Merrill Lynch  
Matt Engler, Wells Fargo  
Joe Monitto, Bank of America Merrill Lynch  
Gregory Borys, Morgan Stanley  
Brandon Wolanski, Barclays

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 June 11, 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 showing a video of Governor Baker announcing the Baker administration has committed \$86 million in funding from the sale of General Electric’s headquarters in South Boston to the creation of workforce housing and home ownership opportunities for first-time buyers. This \$86 million commitment will be used to expand MassHousing’s Workforce Housing Initiative and \$60 million will be used for the creation of workforce homeownership units for moderate-income, first-time homebuyers, particularly in communities of color.

Ms. Kornegay went on to say this new initiative promotes the administration’s Housing Choice Initiative, which works to ensure communities across the state have the type of housing that is needed to retain our workforce and continue to grow the economy.

Next Ms. Kornegay began her Executive Director’s Report by discussing combined MassHousing production over the last five years. For FY2019 MassHousing has had its highest year of production ever with \$1.53 billion in lending.

Ms. Kornegay continued by discussing HB. 3507. HB. 3507 is an act to promote housing choices. Ms. Kornegay outlined Massachusetts’ core housing challenges. Home prices have increased the fastest and rents in Massachusetts are among the highest in the nation. In addition, rising costs have dramatically increased financial pressures on low- and middle-income families. Ms. Kornegay continued by stating the housing need is most acute in metro Boston and the region is unable to meet the needs of young families, workers and an aging population.

Ms. Kornegay went on to state Massachusetts cities and towns have permitted fewer new housing units compared to new housing unit rates between 1960 and 1990 when 900,000 housing units were created. Since 1990, communities have permitted only 434,685 units. The housing bill H.3507 would change the law to reduce the threshold of votes needed to adopt certain zoning changes that promote housing production from a 2/3 vote to a simply majority.

As part of her “People Behind the Mission” program, Ms. Kornegay introduced Sam John, Financial Reporting Specialist, who has been with MassHousing since 1988. Sam began his MassHousing career in accounting and today he oversees the financial reporting in HomeOwnership. Ms. Kornegay thanked Mr. John for his years of service to MassHousing.

### **Homeownership Update**

Mounzer Aylouche next gave an update on Homeownership achievements in FY2019. Total production for Homeownership was the highest in the past five years with a total purchase principal balance of \$762 million, a 47.56% increase over last year. Mr. Aylouche continued by stating Homeownership increased both the rate and number of loans in Gateway Cities. This past year we reached more lower income households than any year since 2015. Mr. Aylouche went on to say we also increased the number and rate of minority borrowers. In addition, our loan servicing portfolio grew and it is now over \$4 billion.

Mr. Aylouche stated our MIF portfolio reached \$2.67 billion with over 12,000 loans. Mr. Aylouche added he is very proud of the MIF portfolio and he mentioned MassHousing is the only public mortgage insurance program in the country.

Mr. Aylouche went on to describe the Down Payment Assistance Program as an integral part of Homeownership’s success in FY2019. DPA funded \$9.8 million in assistance and helped 1,373 households achieve homeownership in FY2019. In addition, we had 432 minority borrowers which was 31% of total borrowers – the highest of any program we have.

Mr. Aylouche continued by saying we have market challenges ahead of us. Fannie Mae and Freddie Mac have issued changes for HFAs which will make loans much more expensive for borrowers making more than 80% AMI.

Mr. Aylouche announced that as of September 3, 2019 we have adjusted our programs to accommodate these changes. We will keep the Fannie and Freddie products and will absorb some of these pricing increases. We will also feature a product with MIF.

Mr. Aylouche concluded his presentation by thanking every individual department at MassHousing that contributed to the success of Homeownership this past year including finance, IT, marketing, government affairs and the legal and administration teams. He also thanked the dedicated staff of Homeownership as well as the MassHousing board for their leadership.

Chairman Dirrane thanked Mr. Aylouche for his extremely impressive presentation. Chairman Dirrane commented that the DPA program is amazing and exemplifies who we are and what we do at MassHousing.

There was then a discussion regarding the new changes issued by Fannie Mae and Freddie Mac and how those changes will impact the products offered by MassHousing as well as how MassHousing can effectively manage these new challenges.

## **LOAN COMMITTEE**

### **Granite Lena Park - Dorchester**

Deborah Morse presented a proposal for Commitment of Tax-Exempt Construction and Permanent Loan, Commitment of Tax-Exempt Bridge Loan and Commitment of Taxable Bridge Loan.

Granite Lena Park is an existing 143-unit scattered-site development for families consisting of seven buildings located in Dorchester. All 143 units are receiving project-based Section 8 assistance and the current Section 8 HAP contract, which is set to expire on 2035 will be renewed for a new 20-year term at closing. The Development is currently in MassHousing's contract administration portfolio.

The buildings were constructed circa 1920 and acquired by Lena Park Community Development Corporation ("LPCDC") in the late 1980s as part of a large sale of HUD foreclosed multifamily buildings in Boston. MassHousing provided the permanent financing for LPCDC's acquisition of the Development. That mortgage was fully repaid in 2005 such that the property is no longer in the MassHousing portfolio.

The buildings require significant improvements as they have not been comprehensively rehabilitated since they were acquired by the Developer. The scope of work includes approximately \$125,000 per unit to address critical sitework, building exterior (balconies/windows/masonry), unit interiors, thermal and moisture protection, water drainage, fire safety systems and accessibility upgrades. Upon a motion duly made and seconded, it was

**VOTED:** To approve the findings and determinations contained in Attachment C hereto and to authorize (a) a construction/permanent first mortgage loan in a principal amount of up to \$15,630,000, with the loan to be insured upon completion under the HUD HFA Risk Sharing Program; and (b) a subordinate bridge mortgage loan in a principal amount of up to \$6,815,000, and (c) a second subordinate bridge loan in a principal amount of up to \$2,650,000 in each case to be made to LP Granite LLC or another single-purpose entity controlled by Lena Park Community Development Corporation (the "Borrower") as owner of the multifamily residential development known as "Granite Lena Park" (the "Development") and located in Boston, Massachusetts, and in accordance with the applicable general closing standards and delegations of authority previously approved, and further subject to (1) compliance

with all applicable laws and all regulations and requirements of applicable financing programs, and (2) the following special conditions: None.

**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, 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.

**ATTACHMENT C**  
**STATUTORY FINDINGS AND DETERMINATIONS**

**Statutory Findings:**

The Loan(s) will be financed under the provisions of Section 5 of MassHousing's enabling act, Chapter 708 of the Acts of 1966, as amended (the "Act"). Pursuant to Section 5(g) of the Act, staff makes the following findings for the proposed Development:

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

143 units (100%) in the Development will be affordable to low-income persons and families, as specified in the Act, at the adjusted rentals shown in the rent schedule below

*(2) Shortage of Affordable Housing Units in the Market Area*

In-house data for larger market and mixed-income complexes (approximately 811 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 97.7%, and range between 94.5% and 100%. My review of similar mixed income/subsidized portfolio properties (576 units) demonstrated a weighted average vacancy rate of approximately 1.32%.

REIS, Inc. data (1st Qtr. 2019) for the subject's Boston City submarket has a vacancy rate at 6.1% YTD (5.2% Boston Metro). This rate is projected to increase to 6.4% over the next five years, while the Boston Metro is projected to increase to 5.8%. Vacancies in the Boston City submarket have averaged approximately 6.1% over the last five years, while the Boston Metro is slightly lower at 4.8% over the last five years.

REIS, Inc. submarket data for the Class A building type (9,556 units) indicates a 1st Qtr. 2019 vacancy rate of 6.2% and an average asking rent of \$2,995 and, REIS, Inc. submarket data for the subject's Class B/C building type (8,570 units) indicates a 1st Qtr. 2019 vacancy rate of 6.0% at an average asking rent of \$1,920. The development when renovated, more closely reflects the Class B/C property type and is reflected in both the vacancy rate and market rent potential. The 1st Qtr. 2019 REIS, Inc. data indicates that the Boston City submarket is offering .83 months free rent.

According to the Department of Housing and Community Development's (DHCD) Chapter 40B Subsidized Housing Inventory (9/14/17), the City of Boston 269,482 year-round housing units, 51,283 (19%) of which are subsidized for low/moderate income households.

According to the Boston Housing Authority's (BHA) 5-year plan (2015-2019), the BHA owns and operates 63 family and elderly/disabled developments with a total of 10,343 units. The BHA also administers 14,481 Housing Choice Vouchers. In addition, the City of Boston's Annual Plan (FY2018) indicated that BHA maintain the following wait lists: There are 1,102 households on the Section 8 tenant-based assistance wait list, including 840 families with children, 256 families with disabilities and 40 elderly families. The BHA also had Single applicants on the waiting list. In addition, there were instances of families that fit into more than one category. This waiting list

has been closed since November 2008 and there are no plans to reopen at his time. They also maintain a Public Housing Wait list with 34,949 including 14,720 families with children, 9,524 families with disabilities and 4,154 elderly families. The BHA also had single applicants on the waiting list and families that fit into one or more categories. This waiting list is open. Boston Housing Authority (BHA) owns and/or operates approximately 63 housing developments of which 36 are elderly/disabled and 27 are family for a total of 12,623 housing units.

U.S. Census data from the 2013-2017 American Community Survey (ACS) indicates that of the 263,229 households in the City of Boston approximately 70.2% earned less than the HUD published 2019 AMI (\$113,300), approximately 48.0% earned less than 50% of 2019 AMI, approximately 54.8 % earned less than 60% of the 2019 AMI and approximately 61.9% 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 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 is located adjacent to market-rate developments and is located in an area that includes 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.

**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	3	4
Number of Units	39	75	27	2
Net SF/Unit	589	812	1,052	1,414
Elev./Non-Elev.	Elev.	Elev.	Elev.	Elev.
<b>Market Rate Rent</b> (10% Rate 20 Yr. Term)	\$2,874	\$3,245	\$3,686	\$4,224
<b>MHFA Below Market Rent</b> (Cost-Based Rent)	\$1,788	\$2,159	\$2,600	\$3,118
<b>MHFA Adjusted Rent</b>	30% of Income			
<b>Underwriting Rents</b> S8 Units	\$1,350	\$1,712	\$2,162	\$2,700

\*Underwritten rents for the LIHTC units are net of utility allowances.

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.

[End Attachment C]



## **Sycamore on Main - Brockton**

Deborah Morse presented a proposal for Commitment of Permanent Loan and Commitment of a Workforce Housing Opportunity Fund Loan for Sycamore on Main, a proposed new 48-unit new construction development in Brockton.

Sycamore on Main will be a new 48-unit mixed-income rental housing development. As an in-fill and smart-growth project with a small ground floor commercial component, it will bring life back to a vacant and abandoned parcel in downtown Brockton, one of the Commonwealth's Gateway Cities. Located just a few blocks from the commuter rail stop, the site is within walking distance of schools and proximate to grocery stores, other commercial/retail options, parks and recreational attractions.

NeighborWorks Southern Mass acquired the site in June 2017 with acquisition financing from LISC and the Life Initiative. The acquisition price of \$967,175 includes the sale price and back taxes and fees owed by the previous owner to the City of Brockton.

The Development will include 18 Workforce units restricted up to 80% of AMI, 22 LIHTC units affordable at 60% of AMI, and eight Extremely Low-Income units restricted to households with incomes up to 30% of AMI. These eight units will be included in a project-based Section 8 contract that will be administered by NeighborWorks Housing Solutions. The Project has the strong support of Brockton's Mayor and local city councilor. The project received its 40R special permit in a unanimous vote of the Brockton Planning Board and is aligned with the recently-approved Downtown Brockton Urban Revitalization Plan. Upon a motion duly made and seconded, it was

**VOTED:** To approve the findings and determinations contained in Attachment C hereto and to authorize (a) a permanent first mortgage loan in a principal amount of up to \$2,935,000 (the "First Loan") to be made to NWSOMA 121 Main LLC or another single-purpose entity controlled by NeighborWorks Housing Solutions (the "Borrower") as owner of the multifamily residential development known as "Sycamore on Main." (the "Development") and located in Brockton, Massachusetts, and in accordance with the applicable general closing standards and delegations of authority previously approved, and further subject to (1) compliance with all applicable laws and all regulations and requirements of applicable financing programs, and (2) the following special conditions: None.

### **FURTHER**

**VOTED:** To approve a subordinate mortgage loan to the Borrower for the Development in an amount not to exceed \$1,800,000 (1) to be funded from that portion of the Opportunity Fund approved by the Board on March 8, 2016, designated and reserved for workforce housing programs and (2) subject to the terms and conditions of MassHousing's Workforce Program Guidelines adopted by the Board on July 12, 2016, as updated, and to any applicable delegations of authority previously approved by the Member of MassHousing.

**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 First Loan, 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 or her designee.

**ATTACHMENT C  
STATUTORY FINDINGS AND DETERMINATIONS**

**Statutory Findings:**

The Loan(s) will be financed under the provisions of Section 5 of MassHousing's enabling act, Chapter 708 of the Acts of 1966, as amended (the "Act"). Pursuant to Section 5(g) of the Act, staff makes the following findings for the proposed Development:

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

48 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. In addition, eight (8) of the units (17% of the 48 total) are being made available for extremely low-income households (<30% AMI) consistent with the Commonwealth's Qualified Action Plan.

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

In-house data for larger market and mixed-income complexes (approximately 806 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 99.2 %, and range between 98.4% and 100%.

REIS, Inc. data (1st Qtr. 2019) for the subject's South/SE Suburban submarket have projected a vacancy rate at 4.5% YTD 5.2% Boston Metro). This rate is projected to decrease to 4.2 % over the next five years, while the Boston Metro is projected to increase to 5.8%. Vacancies in the South/SE Suburban submarket have averaged approximately 4.3% over the last five years, while the Boston Metro vacancy rate has averaged 4.8%.

Further, REIS, Inc. submarket data for the subject's Class A building type (4,731) indicates a 1st Qtr. 2019 vacancy rate of 6.9% and an average asking rent of \$1,791. However, the development when completed with the proposed renovations may more closely reflects a Class B/C property type in both the vacancy rate and market rent potential. REIS, Inc. submarket data for the Class

B/C building type (12,101 units) indicates a 1st Qtr. 2019 vacancy rate of 3.6% and an average asking rent of \$1,509.

None of the comparables reviewed offered concessions, however the use of concessions continues in the Boston Metro and the 1st Qtr. 2019 REIS, Inc. data indicates that the South/SE Suburban submarket is offering .55 months free rent.

According to the Department of Housing and Community Development's (DHCD) Chapter 40B Subsidized Housing Inventory (9/14/17), the City of Brockton has 35,514 year-round housing units, 4,619 (13%) of which are subsidized for low/moderate income households.

Further, the Brockton Housing Authority (BHA) owns/operates 1,624 units of Federal public housing (323 – family and 1,303 – elderly/disabled) and 373 units of State public housing (93 family, 281 elderly/disabled and 22 congregate). Per the Brockton Housing Authority, they maintain 4,477 households on their public housing wait lists (3,027 – elderly; 2,788 – family; 5 – congregate). The Brockton Housing Authority tenant-based assistance programs (e.g. Housing Choice Vouchers) includes 1877 vouchers. Brockton participates the Massachusetts Section 8 Housing Choice Waiting list which is currently open. Per the representative of BHA, they participate in the Section 8 Centralized Waiting list, and believe there are over 100,000 applicants on that list state wide.

U. S. Census data from the 2013-2017 American Community Survey (ACS) indicates that of the 32,200 households in the City of Brockton, approximately 27.6% earned less than 30% of the HUD published 2019 AMI (\$93,400), approximately 44.3% earned less than 50% of the 2019 AMI, and nearly 51.3% earned less than 60% of the 2019 AMI, and 63.8% 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 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.

**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	3
Number of Units	20	24	4
Net SF/Unit	621	870	1147
Elev./Non-Elev.	Elevator	Elevator	Elevator
<b>Market Rate Rent</b> (10% Rate 20 Yr. Term)	\$3,880	\$4,048	\$4,329
<b>MHFA Below Market Rent</b> (Cost-Based Rent)	\$2,423	\$2,591	\$2,872
<b>MHFA Adjusted Rent</b>	30% of Income		
<b>Underwriting Rents</b>			
PBV/S8 Units	\$1,134	\$1,490	\$1,879
LIHTC 60%	\$855	\$1,025	\$1,181
Workforce 80% AMI	\$1,150	\$1,400	\$1,730

\*All PBV units and LIHTC units are net of utility allowances. UAs not applicable for WFH units.

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.

[End Attachment C]

## Golda Meir House Expansion - Newton

Deborah Morse presented a proposal for Official Action Status for the Gold Meir House in Newton. Golda Meir House is an existing 199-unit age-restricted development located at 160 Stanton Avenue in Newton. Constructed in two phases, the property was fully completed in 1995. In December 2018, the Golda Meir House Expansion project was awarded a comprehensive permit by the Newton Zoning Board of Appeals.

The Developer, 2Life Communities, formerly known as Jewish Community Housing for the Elderly, Inc. (“JCHE”), is currently seeking OAS to protect its ability to reimburse any appropriate project expenditures with the proceeds of a future tax-exempt financing. The tax-exempt bond proceeds from MassHousing will be used as project financing for the construction of Golda Meir House Expansion. Additionally, 2Lifes Communities will be applying to the U.S. Department of Housing and Urban Development for Section 202 grant funding and is requesting OAS approval for inclusion in the application.

The Golda Meir House development was constructed in two phases with the first phase containing 124 units completed in 1978 and the second phase containing 75 units completed in 1995. The two phases were completed without MassHousing financing. In December 2016, MassHousing provided a \$38 million tax-exempt construction and permanent loan for the rehabilitation of the property.

This next phase includes two additions to the existing building with 68 new units. These 68 new units will include multiple tiers of affordability. The Developer plans to request 20 project-based Section 8 vouchers from DHCD, which will support units restricted to residents below 30% of the AMI. If the Sponsor is awarded a Section 202 grant from the U.S. Department of Housing and Urban Development, the project will also receive 25 Project Rental Assistance Contract (PRAC) units restricted to residents below 50% of the AMI. Additionally, there will be 5 LIHTC units up to 60% of the AMI, 10 moderate-income units up to 100% of the AMI, 7 unrestricted units priced below market and one unit for graduate students as part of an intergenerational music education program.

As stated above, in December 2018, the Golda Meir House Expansion project was awarded a Comprehensive Permit by the Newton Zoning Board of Appeals. Community support is also evidenced by a vote of the Newton City Council, following the recommendation of the Community Preservation Committee, to commit \$3.25 million in CPA funds to the project. 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 “Golda Meir House Expansion” (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 \$25,000,000 in principal amount for the Development; and (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 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. 2Life Communities, Inc. (the “Developer”) has acceptable multifamily housing development experience and acceptable credit history.
2. The 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 of the Development is acceptable for the intended housing.
4. There is a need for the proposed housing in the community.

### **Sycamore Village – Lawrence**

Kathleen Evans presented a proposal to (1) accept the assignment of al HUD-issued Firm Commitment for FHA-insurance, (2) to make the first mortgage loan described therein (the “New Loan”), and (3) to finance the New Loan through the issuance of a Ginnie Mae MBS.

Sycamore Village is a 167-unit family development consisting of eight (8) three-story wood frame buildings that were constructed in 1965. The development contains one one-bedroom units, 119 two-bedroom units, and 47 three-bedroom units. The development is located at 30-36 Bradford Street, Lawrence, MA, 01840.

The Borrower is seeking MassHousing’s commitment for the New Loan of approximately \$11,586,000, or such other amount as evidenced in the HUD Firm Commitment, in permanent first mortgage financing under the MAP/Ginnie Mae Program.

A portion of the proceeds of the New Loan will be used to prepay the Borrower’s existing mortgage loan obligations to MassHousing, as authorized under and subject to the conditions set forth in the vote taken by the Board on October 14, 2014 providing prepayment approval for certain MassHousing Multifamily Mortgages. This includes the aforementioned first mortgage, as well as a \$1,000,000 loan from the Affordable Housing Trust Fund (“AHTF”) that was directly funded by the Agency. Loan proceeds will also be used to repay a \$1,750,000 Capital Improvement and

Preservation Fund (“CIPF”) loan from the Department of Housing and Community Development (“DHCD”).

The New Loan will also be subject to the General Conditions for the MAP/Ginnie Mae Program approved by the Board on November 12, 2014, and MassHousing and the MAP Lender Partner will at all times comply with the terms of HUD’s identity-of-interest guidance provided in HUD’s letter to MassHousing dated June 13, 2014. Upon a motion duly made and seconded, it was

**VOTED:** To approve the findings and determinations contained in Attachment A and to authorize the Massachusetts Housing Finance Agency (“MassHousing”) (1) to accept the assignment, from Rockport Mortgage Corporation of a HUD Firm Commitment to provide mortgage insurance through the Federal Housing Administration pursuant to Section 223(f) of the National Housing Act for a first mortgage loan in the approximate amount of \$11,586,000, or such other amount as evidenced in the HUD Firm Commitment, subject to the limitation that the final amount of such loan shall not be more than \$12,744,600 nor less than \$10,427,400 to Sycamore Village Limited Partnership (the “Borrower”) for Sycamore Village and (2) to make the FHA-insured first mortgage loan to the Borrower for Sycamore Village in the approximate amount of \$11,586,000 subject to the limitation that the final amount of such loan shall not be more than \$12,744,600 nor less than \$10,427,400 on terms acceptable to MassHousing, in compliance with the terms of the Prepayment Approval for MassHousing Multifamily Mortgages granted by the Board on October 14, 2014 and subject to MassHousing’s General Closing Conditions for loans made under MassHousing’s MAP/Ginnie Mae Multifamily Joint Venture Lending Initiative approved by the Board on November 12, 2014.

**FURTHER**

**VOTED:** That the Massachusetts Housing Finance Agency, acting through its officers authorized under the Ginnie Mae resolution adopted by the Agency on March 12, 2013, is hereby authorized and directed to do all acts and things, and to execute and deliver any and all documents, certificates, securities and instruments necessary or desirable to effectuate the funding of a first mortgage loan insured by the U.S. Department of Housing and Urban Development, acting through the Federal Housing Commissioner, under Section 223(f) of the National Housing Act, to the Borrower for Sycamore Village.

**ATTACHMENT A**  
**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*

161 of the 166 total units (97%) 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 1,593 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 97.3 %, and range between 93% and 100%. The subject property has been operated as an unrestricted development since 1980, and based on historic data, the development and has average a vacancy rate of 1.005% over the last six years. My review of similar mixed income/subsidized portfolio properties (1,097 units) demonstrated a weighted average vacancy rate of approximately 3.356%.

REIS, Inc. data (1<sup>st</sup> Qtr. 2019) for the subject's North Shore/Merrimack River Valley submarket have projected a vacancy rate at 4.8% YTD (5.2% Boston Metro). This rate is projected to increase 4.9% over the next five years, while the Boston Metro is projected to increase to 5.8%. Vacancies in the North Shore/Merrimack River Valley submarket have averaged approximately 3.4% over the last five years, while the Boston Metro vacancy rate has averaged 4.8%

Further, REIS, Inc. submarket data for the subject's Class A building type (15,015 units) indicates a 1<sup>st</sup> Qtr. 2019 vacancy rate of 8.4% and an average asking rent of \$2,149. However, the development when completed may more closely reflects a Class B/C property type in both the vacancy rate and market rent potential. REIS, Inc. submarket data for the Class B/C building type (19,743 units) indicates a 1<sup>st</sup> Qtr. 2019 vacancy rate of 2.1% and an average asking rent of \$1,745.

None of the comparables reviewed offered concessions, however the use of concessions continues in the Boston Metro and the 1<sup>st</sup> Qtr. 2019 REIS, Inc. data indicates that the North Shore/Merrimack River Valley submarket is offering .37 months free rent.

According to the Department of Housing and Community Development's (DHCD) Chapter 40B Subsidized Housing Inventory (09/14/17), the City of Lawrence has 27,092 year-round housing units, 4,057 (15%) of which are subsidized for low/moderate income households.

In addition, the Lawrence Housing Authority (LHA) manages 1,056 Federally assisted units comprised of 546 family units and 510 elderly/disabled units. The family units are broken does as follows; 111- one-bedroom units, 266- two- bedroom units, 137 -three-bedroom units and 32- four-bedroom units. Per the representative of LHA the wait list for the family units is as follows, 213 applicants for one-bedroom, 363 applicants for the two-bedroom units 213 applicants, for the three bedroom 78 applicants for the four- bedroom. Regarding the federally assisted elderly/disabled units, the units are broken down as follow; 81 studios, 504- one-bedroom, and 36-two-bedroom units. Per the representative of LHA, the wait list is as follows;1,526 studios and one-bedroom units and 29 applicants for the two-bedrooms.

LHA also manages 522 State assisted units comprised of 451 family units and 71 elderly/disabled units. The family units are broken does as follows; 24- one-bedroom units, 247 -two- bedroom units, 170- three-bedroom units and 10-four- bedroom units. Per the representative from LHA, the wait list for the state-assisted family units are as follows; 902 applicants for one -bedroom, 1,525



applicants for two bedrooms, 980 applicants for three bedrooms and 247 applicants for four bedrooms. Lastly, LHA manages 71 state-assisted elderly/disabled one-bedroom units, per LHA, there are 1,909 applicants on the wait list.

Regarding Section 8 Housing Choice Vouchers, the Lawrence Housing Authority is authorized to administer 998 Section 8 vouchers. Per the representative of LHA they participate the Massachusetts Section 8 Housing Choice Voucher Centralized Waiting list and the anticipated wait time is from 5 to 10 years.

U.S. Census data from the 2013-2017 American Community Survey (ACS) indicates that of the 25,807 households in the City of Lawrence, approximately 82.1% earned less than the HUD published 2019 AMI (\$102,100), approximately 59.7% earned less than 50% of 2019 AMI, approximately 67.1% earned less than 60% of the 2019 AMI and approximately 77.2% earned less than 80% of the 2019 AMI.

*(3) Inability of Private Enterprise Alone to Supply Affordable Housing*

Based on information provided by the MAP Lender Partner, 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 based on the underwriting performed by the MAP Lender Partner for units within the proposed Development:

**RENT SCHEDULE:**

Number of Bedrooms	1	2	3
Number of Units	1	119	46
Net SF/Unit	900	978	1,136
Elev./Non-Elev.	N/E	N/E	N/E
<b>Market Rate Rent</b> (10% Rate 20 Yr. Term)	\$1,341	\$1,377	\$1,535
<b>MHFA Below Market Rent</b> (Cost-Based Rent)	\$1,000	\$1,035	\$1,194
<b>MHFA Adjusted Rent</b>	30% of Income		
<b>Underwriting Rents</b>	\$1,000	\$1,035	\$1,194

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.

[End Attachment A]

## **Forestvale Apartments – Jamaica Plain**

Kathleen Evans presented a proposal to (1) accept the assignment of a HUD-issued Firm Commitment for FHA-insurance, (2) to make the first mortgage loan described therein (the “New Loan”), and (3) to finance the New Loan through the issuance of a Ginnie Mae MBS

Forestvale Apartments is a 108-unit family development consisting of six (6) three-story walk-up buildings that were constructed in 1964. The development contains one one-bedroom unit, 89 two-bedroom units, and 18 three-bedroom units. The development is located at 21 Rockvale Circle and 107 Forest Hills Street, Jamaica Plain, MA, 02130.

The Borrower is seeking MassHousing’s commitment for the New Loan of approximately \$27,926,600 or such other amount as evidenced in the HUD Firm Commitment, in permanent first mortgage financing under the MAP/Ginnie Mae Program.

A portion of the proceeds of the New Loan will be used to prepay the Borrower’s existing mortgage loan obligations to MassHousing, as authorized under and subject to the conditions set forth in the vote taken by the Board on October 14, 2014 providing prepayment approval for certain MassHousing Multifamily Mortgages. This includes the aforementioned first mortgage, as well as a \$1,000,000 loan from the Affordable Housing Trust Fund (“AHTF”) that was directly funded by the Agency. Loan proceeds will also be used to repay a \$600,000 Capital Improvement and Preservation Fund (“CIPF”) loan from the Department of Housing and Community Development (“DHCD”).

The New Loan will also be subject to the General Conditions for the MAP/Ginnie Mae Program approved by the Board on November 12, 2014, and MassHousing and the MAP Lender Partner will at all times comply with the terms of HUD’s identity-of-interest guidance provided in HUD’s letter to MassHousing dated June 13, 2014. Upon a motion duly made and seconded, it was

**VOTED:** To approve the findings and determinations contained in Attachment A and to authorize the Massachusetts Housing Finance Agency (“MassHousing”) (1) to accept the assignment, from Rockport Mortgage Corporation of a HUD Firm Commitment to provide mortgage insurance through the Federal Housing Administration pursuant to Section 223(f) of the National Housing Act for a first mortgage loan in the approximate amount of \$27,926,600, or such other amount as evidenced in the HUD Firm Commitment, subject to the limitation that the final amount of such loan shall not be more than \$30,719,260 nor less than \$25,133,940 to Forestvale Apartments Limited Partnership (the “Borrower”) for Forestvale Apartments and (2) to make the FHA-insured first mortgage loan to the Borrower for Forestvale Apartments in the approximate amount of \$27,926,600 subject to the limitation that the final amount of such loan shall not be more than \$30,719,260 nor less than \$25,133,940 on terms acceptable to MassHousing, in compliance with the terms of the Prepayment Approval for MassHousing Multifamily Mortgages granted by the Board on October 14, 2014 and subject to MassHousing’s General Closing Conditions for loans made under MassHousing’s MAP/Ginnie Mae

Multifamily Joint Venture Lending Initiative approved by the Board on November 12, 2014.

**FURTHER  
VOTED:**

That the Massachusetts Housing Finance Agency, acting through its officers authorized under the Ginnie Mae resolution adopted by the Agency on March 12, 2013, is hereby authorized and directed to do all acts and things, and to execute and deliver any and all documents, certificates, securities and instruments necessary or desirable to effectuate the funding of a first mortgage loan insured by the U.S. Department of Housing and Urban Development, acting through the Federal Housing Commissioner, under Section 223(f) of the National Housing Act, to the Borrower for Forestvale Apartments.

**ATTACHMENT A  
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*

161 of the 166 total units (97%) 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 1,086 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 99.6%, and range between 99.0% and 100%. The subject property has been operated as a Section 8 development since 1965, and based on historic data the development and has average a vacancy rate of .843% over the last five years. My review of similar mixed income/subsidized portfolio properties (861 units) demonstrated a weighted average vacancy rate of approximately .843%.

REIS, Inc. data (1<sup>st</sup> Qtr. 2019) for the subject's Boston City submarket has a vacancy rate at 6.1% YTD (5.2% Boston Metro). This rate is projected to increase to 6.4% over the next five years, while the Boston Metro is projected to increase to 5.8%. Vacancies in the Boston City submarket have averaged approximately 6.1% over the last five years, while the Boston Metro is slightly lower at 4.8% over the last five years.

REIS, Inc. submarket data for the Class A building type (9,556 units) indicates a 1<sup>st</sup> Qtr. 2019 vacancy rate of 6.2% and an average asking rent of \$2,995 and, REIS, Inc. submarket data for the subject's Class B/C building type (8,570 units) indicates a 1<sup>st</sup> Qtr. 2019 vacancy rate of 6.0% at an average asking rent of \$1,920. 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 1<sup>st</sup> Qtr. 2019 REIS, Inc. data indicates that the Boston City submarket is offering .83 months free rent.

According to the Department of Housing and Community Development's (DHCD) Chapter 40B Subsidized Housing Inventory (9/14/17), the City of Boston 269,482 year round housing units, 51,283 (19%) of which are subsidized for low/moderate income households.

According to the Boston Housing Authority's (BHA) 5 year plan (2015-2019), the BHA owns and operates 63 family and elderly/disabled developments with a total of 12,623 units. The BHA also administers 14,481 Housing Choice Vouchers. In addition the City of Boston's Annual Plan (FY2018) indicated that BHA maintain the following wait lists: There are 1,102 households on the Section 8 tenant based assistance wait list, including 840 families with children, 256 families with disabilities and 40 elderly families. The BHA also had Single applicants on the waiting list. In addition there were instances of families that fit into more than one category. This waiting list has been closed since November 2008 and there are no plans to reopen at his time. They also maintain a Public Housing Wait list with 34,949 including 14,720 families with children, 9,524 families with disabilities and 4,154 elderly families. The BHA also had single applicants on the waiting list and families that fit into one or more categories. This waiting list is open.

U.S. Census data from the 2013-2017 American Community Survey (ACS) indicates that of the 263,229 households in the City of Boston approximately 70.2% earned less than the HUD published 2019 AMI (\$113,300), approximately 48.0% earned less than 50% of 2019 AMI, approximately 54.8 % earned less than 60% of the 2019 AMI and approximately 61.9% earned less than 80% of the 2019 AMI.

### *(3) Inability of Private Enterprise Alone to Supply Affordable Housing*

Based on information provided by the MAP Lender Partner, 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.

## **Florence Apartments – Roslindale**

Kathleen Evans presented a proposal for Florence Apartments in Roslindale. Florence Apartments is a 138-unit family development consisting of six (6) three-story wood frame buildings that were constructed in 1968. The development contains 68 two-bedroom units, and 70 three-bedroom units. The development is located at 132 Fawndale Road, Roslindale, MA, 02131.

The Borrower is seeking MassHousing's commitment for the New Loan of approximately \$37,600,000 or such other amount as evidenced in the HUD Firm Commitment, in permanent first mortgage financing under the MAP/Ginnie Mae Program.

A portion of the proceeds of the New Loan will be used to prepay the Borrower's existing mortgage loan obligations to MassHousing, as authorized under and subject to the conditions set forth in the vote taken by the Board on October 14, 2014 providing prepayment approval for certain MassHousing Multifamily Mortgages. This includes the aforementioned first mortgage, as well as a \$1,000,000 loan from the Affordable Housing Trust Fund ("AHTF") that was directly funded by the Agency. Loan proceeds will also be used to repay a \$800,000 Capital Improvement and Preservation Fund ("CIPF") loan from the Department of Housing and Community Development ("DHCD").

The New Loan will also be subject to the General Conditions for the MAP/Ginnie Mae Program approved by the Board on November 12, 2014, and MassHousing and the MAP Lender Partner will at all times comply with the terms of HUD's identity-of-interest guidance provided in HUD's letter to MassHousing dated June 13, 2014. Upon a motion duly made and seconded, it was

**VOTED:** To approve the findings and determinations contained in Attachment A and to authorize the Massachusetts Housing Finance Agency ("MassHousing") (1) to accept the assignment, from Rockport Mortgage Corporation of a HUD Firm Commitment to provide mortgage insurance through the Federal Housing Administration pursuant to Section 223(f) of the National Housing Act for a first mortgage loan in the approximate amount of \$37,600,000, or such other amount as evidenced in the HUD Firm Commitment, subject to the limitation that the final amount of such loan shall not be more than \$41,360,000 nor less than \$33,840,000 to Florence Apartments Limited Partnership (the "Borrower") for Florence Apartments and (2) to make the FHA-insured first mortgage loan to the Borrower for Florence Apartments in the approximate amount of \$37,600,000 subject to the limitation that the final amount of such loan shall not be more than \$41,360,000 nor less than \$33,840,000 on terms acceptable to MassHousing, in compliance with the terms of the Prepayment Approval for MassHousing Multifamily Mortgages granted by the Board on October 14, 2014 and subject to MassHousing's General Closing Conditions for loans made under MassHousing's MAP/Ginnie Mae Multifamily Joint Venture Lending Initiative approved by the Board on November 12, 2014.

**FURTHER**

**VOTED:** That the Massachusetts Housing Finance Agency, acting through its officers authorized under the Ginnie Mae resolution adopted by the Agency on March 12, 2013, is hereby authorized and directed to do all acts and things, and to execute and deliver any and all documents, certificates, securities and instruments necessary or desirable to effectuate the funding of a first mortgage loan insured by the U.S. Department of Housing and Urban Development, acting through the Federal Housing Commissioner, under Section 223(f) of the National Housing Act, to the Borrower for Florence Apartments.

**ATTACHMENT A**  
**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*

161 of the 166 total units (97%) 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 1,175 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 98.7%, and range between 94.0% and 100%. The subject property has been operated as a Section 8 development since 1968, and based on historic data, the development has average a vacancy rate of .765% over the last six years. My review of similar mixed income/subsidized portfolio properties (1,516 units) demonstrated a weighted average vacancy rate of approximately 1.47%.

REIS, Inc. data (1<sup>st</sup> Qtr. 2019) for the subject's Boston City submarket has a vacancy rate at 6.1% YTD (5.2% Boston Metro). This rate is projected to increase to 6.4% over the next five years, while the Boston Metro is projected to increase to 5.8%. Vacancies in the Boston City submarket have averaged approximately 6.1% over the last five years, while the Boston Metro is slightly lower at 4.8% over the last five years.

REIS, Inc. submarket data for the Class A building type (9,556 units) indicates a 1<sup>st</sup> Qtr. 2019 vacancy rate of 6.2% and an average asking rent of \$2,995 and, REIS, Inc. submarket data for the subject's Class B/C building type (8,570 units) indicates a 1<sup>st</sup> Qtr. 2019 vacancy rate of 6.0% at an average asking rent of \$1,920. 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 1<sup>st</sup> Qtr. 2019 REIS, Inc. data indicates that the Boston City submarket is offering .83 months free rent.

According to the Department of Housing and Community Development's (DHCD) Chapter 40B Subsidized Housing Inventory (9/14/17), the City of Boston 269,482 year round housing units, 51,283 (19%) of which are subsidized for low/moderate income households.

According to the Boston Housing Authority's (BHA) 5 year plan (2015-2019), the BHA owns and operates 63 family and elderly/disabled developments with a total of 12,623 units. The BHA also administers 14,481 Housing Choice Vouchers. In addition the City of Boston's Annual Plan (FY2018) indicated that BHA maintain the following wait lists: There are 1,102 households on the Section 8 tenant based assistance wait list, including 840 families with children, 256 families with disabilities and 40 elderly families. The BHA also had Single applicants on the waiting list. In addition there were instances of families that fit into more than one category. This waiting list has been closed since November 2008 and there are no plans to reopen at his time. They also maintain a Public Housing Wait list with 34,949 including 14,720 families with children, 9,524 families with disabilities and 4,154 elderly families. The BHA also had single applicants on the waiting list and families that fit into one or more categories. This waiting list is open.

U.S. Census data from the 2013-2017 American Community Survey (ACS) indicates that of the 263,229 households in the City of Boston approximately 70.2% earned less than the HUD published 2019 AMI (\$113,300), approximately 48.0% earned less than 50% of 2019 AMI, approximately 54.8 % earned less than 60% of the 2019 AMI and approximately 61.9% earned less than 80% of the 2019 AMI.

*(3) Inability of Private Enterprise Alone to Supply Affordable Housing*

Based on information provided by the MAP Lender Partner, 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 based on the underwriting performed by the MAP Lender Partner for units within the proposed Development:

**RENT SCHEDULE:**

Number of Bedrooms	2	3
Number of Units	67	70
Net SF/Unit	976	1,133
Elev./Non-Elev.	N/E E	N/E
<b>Market Rate Rent</b> (10% Rate 20 Yr. Term)	\$3,497	\$4,068
<b>MHFA Below Market Rent</b> (Cost-Based Rent)	\$2,114	\$2,684
<b>MHFA Adjusted Rent</b>	30% of Income	
<b>Underwriting Rents</b>	\$2,114	\$2,684

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.

[End Attachment A]

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 2:45p.m. Upon a motion duly made and seconded, it was

**VOTED:** To adjourn the MassHousing meeting at 2:45 p.m.

A true record.

Attest.



---

Colin McNiece  
Secretary