

Minutes of the
Loan Committee of MassHousing
Held on
September 5, 2017

The regular meeting of the Loan Committee was held at 2:00 p.m. on Tuesday, September 5, 2017 at MassHousing's offices at One Beacon Street in Boston, Massachusetts.

In attendance were:

Members: Carrie Knudson, designee for C. Kornegay; Carolina Avellaneda

Member

Not Present: Lisa Serafin

Staff:

- Deb Morse
- Henry Mukasa
- Beth Elliott
- Zan Bross
- Bill Dunn
- Casey Baines
- Jill Lavacchia
- Carol McIver
- Peter Cooper
- Chris Burns
- Joe McNiff
- Daniel Barbanell
- LaVergne Randolph
- Hanna Schutt
- Kathleen Evans
- Rachel Carlson
- Janet Billane
- Paul McMorrow
- Ricky Ochilo
- John W. McCormack
- Matt Deych
- Karen Kelleher
- David Keene
- Meaghan McCarthy
- Sarah Hall
- Daniel Staring
- Kelly Johnson
- Monte Stanford
- Katrina Holman
- Cynthia Lacasse

The meeting began at 2:00 pm.

1. Summary of the August 1, 2017 Loan Committee Meeting

The summary of the August 1, 2017 Loan Committee meeting was presented to the Loan Committee Panel. Ms. Knudson approved the summary; Ms. Avellaneda did not participate as she did not attend the August meeting. .

2. Agency Policies for Conduit Loan Program –presented by Daniel Staring:

Daniel Staring presented an overview of the Agency’s Conduit Loan Program. The Conduit Loan Program stems from the strategic plan to further expand upon the Agency’s traditional lending products. In this Conduit Loan Program, a commercial bank underwrites the loan, and the Agency will act as a pass-through entity, or conduit, of the loan proceeds. The Agency will loan the tax-exempt obligations to the Borrower in a sufficient amount to meet the 50% test and thus generate 4% low income housing tax credits. The Borrower will use the proceeds for the purpose of acquiring, financing, refinancing, or construction of a development. Loans under the Conduit Loan Program will waive the MassHousing appeals process for rejected applicants, waive Section 6A of the Equity Policy, and in certain circumstances, approve the usage of cash collateral in lieu of a first mortgage. The proposal of the Conduit Loan Program included closing standards (as Exhibit 1) to be used in future transactions.

3. Madison Melnea Cass Apartments, Boston (Roxbury) – Commitments of Tax-Exempt Construction and Permanent Loan, Tax-Exempt Equity Bridge Loan, and Opportunity Fund Loan – Workforce Housing Program presented by Sarah Hall:

Madison Melnea Cass Apartments will be a new construction 76-unit property in the Roxbury neighborhood of Boston. The Development is a part of the Whittier Choice Neighborhood Initiative, which was awarded a Choice Neighborhood Implementation Grant by HUD in January 2017. Madison Park Development Corporation has presented a proposal to develop a parcel in the Whittier Choice Neighborhood as one of three Whittier Choice Neighborhood Initiative sites. The proposal presents a transaction that includes 4% LIHTC, a \$10,900,00 MassHousing construction and permanent loan insured under the HUD/HFA Risk-Sharing Program, a \$9,100,000 uninsured tax credit equity bridge loan, and a \$1,900,000 Workforce Housing subordinate loan.

4. Whittier at Cabot 4%, Boston (Roxbury) – Commitments of Tax-Exempt Equity Bridge Loan, and Opportunity Fund Loan – Workforce Housing Program presented by Sarah Hall:

Whittier at Cabot 4% will be the new construction of 58 mixed-income housing units on the top floors of a mid-rise apartment building and in adjacent townhouse buildings in the Roxbury neighborhood of Boston. The Development is a part of the Whittier Choice Neighborhood Initiative, which was awarded a Choice Neighborhood Implementation Grant by HUD in January 2017. Preservation of Affordable Housing has presented a proposal to redevelop on-site the existing public housing in the Whittier Choice Neighborhood as one of three Whittier Choice Neighborhood Initiative sites. The proposal presents a

transaction that includes 4% LIHTC, a \$9,200,000 MassHousing permanent loan insured under the HUD/HFA Risk-Sharing Program, an \$11,277,000 uninsured tax credit equity bridge loan, and an \$800,000 Workforce Housing subordinate loan.

5. Whittier at Cabot 9%, Boston (Roxbury) – Commitments of Taxable Permanent Loan and Opportunity Fund Loan – Workforce Housing Program presented by Sarah Hall:

Whittier at Cabot 9% (the “Development”) will be the new construction of 34 mixed-income housing units on the lower floors of a mid-rise building in the Roxbury neighborhood of Boston. The Development is a part of the Whittier Choice Neighborhood Initiative, which was awarded a Choice Neighborhood Implementation Grant by HUD in January 2017. Preservation of Affordable Housing has presented a proposal to redevelop on-site the existing public housing in the Whittier Choice Neighborhood as one of three Whittier Choice Neighborhood Initiative sites. The proposal presents a transaction that includes 9% LIHTC, a \$5,550,000 MassHousing permanent loan insured under the HUD/HFA Risk-Sharing Program, and a \$700,000 Workforce Housing subordinate loan.

6. Wellington Community, Worcester – Official Action Status, Commitments of Tax-Exempt Permanent Loan, Tax Exempt Equity Bridge Loan and Approval of Low-Income Housing Tax Credits presented by Meaghan McCarthy:

Wellington Community is a 180-unit Section 8 family development located in Worcester. An affiliate of WinnDevelopment is seeking approval for Official Action Status for a transaction that includes 4% LIHTC, a \$16,400,000 permanent loan upon completion of rehabilitation, and a \$600,000 tax-exempt equity bridge loan . The MassHousing permanent loan will be insured under the HUD/HFA Risk-Sharing Program.

7. Residences at Brighton Marine, Boston (Brighton) – Official Action Status, Commitments of Tax-Exempt Permanent, Tax-Exempt Equity Bridge Loan, Approval for the use of Low-Income Housing Tax Credits and Opportunity Fund Loan – Workforce Housing Program presented by Meaghan McCarthy:

Residences at Brighton Marine is a proposed 102-unit family development located in Brighton. WinnDevelopment, in partnership with Brighton Marine Health Center, is seeking permanent financing upon completion of construction for this mixed-income development that will include units restricted at a variety of income levels ranging from 30% of AMI to 120% of AMI. The proposal presents a transaction that includes 4% LIHTC, a \$9,400,000 MassHousing permanent loan insured under the HUD/HFA Risk-Sharing Program, a \$14,000,000 tax-exempt bridge loan, and a \$5,000,000 Workforce Housing subordinate loan.

8. Landfall Community Associates II, East Boston – Official Action Status, Commitments of Tax-Exempt Permanent Loan, Tax Exempt Syndication Bridge Loan, Capitalized 13A Payment and Subordinate Debt Forgiveness presented by Deborah Morse:

Landfall Community Associates II is a 111-unit scattered-site development located in East Boston. An affiliate of East Boston Community Development Corporation, is seeking permanent financing for the acquisition and rehabilitation of this maturing 13A low-income residential rental property. The proposal presents a transaction that includes 4% LIHTC, a \$5,750,000 MassHousing permanent loan insured under the HUD/HFA Risk-Sharing

Program, a \$4,700,000 Tax-Exempt syndication bridge loan, a \$131,750 MassHousing Capitalized 13A Payment loan, and \$1,000,000 from the 13A Opportunity Fund.

9. Russell Apartments, Cambridge – Official Action Status, Commitment of Tax-Exempt Conduit Loan (Short-term) presented by Deborah Morse:

An affiliate of the Cambridge Housing Authority seeks an allocation of up to \$13,950,000 in tax-exempt loan proceeds for the financing of Russell Apartments in Cambridge. Russell Apartments has 51 units in the development, and all of the units are affordable at or below 60% AMI and all units are covered by a Section 8 Housing Assistance Payment contract. MassHousing's role in this transaction will be to act as the nominal lender under the Conduit Loan Program, voted by the Board at the September 12, 2017 Board meeting. The conduit loan will be made by MassHousing via bond proceeds pursuant to a public issue funded through Wells Fargo, who will assume construction loan risks.

10. Concord Houses, Boston (South End) – MAP/Ginnie Mae Multifamily Joint Venture Lending Initiative presented by David Keene:

Concord Houses Associates LP, a Massachusetts limited partnership, requests approval to prepay its existing mortgage loan(s) in order to refinance with MassHousing under the MAP/Ginnie Mae Multifamily Joint Venture Lending Initiative with Rockport Mortgage as MassHousing's Map Lender Partner. Rockport Mortgage has worked directly with the borrower to underwrite a \$35,000,000 mortgage loan and apply to the local HUD office for FHA mortgage insurance under Section 223(f) of the National Housing Act. MassHousing's credit risk exposure for loans insured by FHA under this program will be approximately one percent (1%) of the loan amount. MassHousing will enter into an agreement with the Rockport Mortgage to accept the assignment of the HUD Firm Commitment at loan closing, and MassHousing will at closing make the FHA-insured loan to the Borrower. MassHousing will issue a Ginnie Mae Mortgage Backed Security to fund this loan.

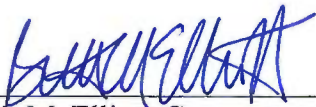
11. Hope Gardens, Attleboro – MAP/Ginnie Mae Multifamily Joint Venture Lending Initiative presented by David Keene:

Hope Gardens Associates, a Massachusetts limited partnership, requests approval to prepay its existing mortgage loan(s) in order to refinance with MassHousing under the MAP/Ginnie Mae Multifamily Joint Venture Lending Initiative with Rockport Mortgage as MassHousing's Map Lender Partner. Rockport Mortgage has worked directly with the borrower to underwrite a \$15,440,000 mortgage loan and apply to the local HUD office for FHA mortgage insurance under Section 223(f) of the National Housing Act. MassHousing's credit risk exposure for loans insured by FHA under this program will be approximately one percent (1%) of the loan amount. MassHousing will enter into an agreement with Rockport Mortgage to accept the assignment of the HUD Firm Commitment at loan closing, and MassHousing will at closing make the New Loan to the Borrower. MassHousing will issue a Ginnie Mae Mortgage Backed Security to fund this loan.

The meeting concluded at approximately 3:00 pm.

A true record.

Attest:



Beth M. Elliott, Secretary

Materials:

- Proposed Agenda
- Draft Meeting Summary for August 1, 2017
- Proposed Agency Policies for Conduit Loan Program
- Proposed Loan Commitments for Madison, Melnea Cass Apartments, Whittier at Cabot 4%, Whittier at Cabot 9%, Wellington Community, Residences at Brighton Marine, Landfall Community Associates II, Russell Apartments, Concord Houses and Hope Gardens