

Minutes of the
Loan Committee of MassHousing
Held on
January 2, 2018

The regular meeting of the Loan Committee was held at 2:00 p.m. on Tuesday,
January 2, 2018 at MassHousing's offices at One Beacon Street in Boston, Massachusetts.

In attendance were:

Members: Rebecca Frawley-Wachtel, designee

Members

Not Present: Carolina Avellaneda; Lisa Serafin

Staff:
Deb Morse
Matt Deych
Beth Elliott
Thomas Lyons
Meaghan McCarthy
Henry Mukasa
Karen Kelleher
Cynthia Lacasse
Katrina Holman
LaVergne Randolph
Daniel Staring
Kelly Johnson
John W. McCormack
Carol McIver
Bill Dunn
Tom Farmer
Kelly Condon
David Keene
Tom Perry
Kaitlyn Mulcahy
Rachel Carlson
Paul McMorrow
Casey Baines
Hanna Schutt

The meeting began at 2:00 pm.

1. Summary of the December 5, 2017 Loan Committee Meeting

The summary of the December 5, 2017 Loan Committee meeting was presented. The member approved the summary.

2. Lorenzo Pitts, Inc. (LPI) Portfolio, Brockton (Roxbury & Dorchester) – Commitment of Tax-Exempt Construction & HUD/HFA Risk-Share Insured Permanent Loan, Commitment of Tax-Exempt Equity Bridge Loan, Commitment of Subordinate 13A Preservation Loan, Approval of Level One Transfer, Loan Forgiveness for Lawrenceville – Arrearage Notes, Loan Forgiveness for Infill II – Arrearage Notes, Loan Forgiveness for Gardner Apartments – Asset Protection and Arrearage Notes, and 13A Repair Grant, Loan Forgiveness for Crawford House, Asset Protection and Arrearage Notes, Loan Forgiveness for Thane Street Apartments presented by Deborah Morse:

The LPI Portfolio comprises six separate properties, totaling 201 units of housing in 21 scattered-site buildings in the Roxbury and Dorchester neighborhoods of Boston. The properties are owned by Lorenzovest Holdings LLC and GCT Limited Partnership, which are controlled by Lorenzo Pitts, Inc., and will ultimately be sold to an LLC controlled by the Jamaica Plain Neighborhood Development Corporation. The proposed transaction which will allow the Developer to purchase the properties, complete a comprehensive rehabilitation scope, and preserve long-term affordability at the Development. The transaction includes 4% LIHTC, a MassHousing construction and permanent loan in a principal amount of up to \$27,000,000 with the permanent loan to be insured under the HUD/HFA Risk-Sharing Program, a subordinate equity bridge loan in a principal amount of up to \$19,500,000, and a subordinate 13A Preservation Loan in a principal amount of up to \$1,700,000. Prior to this transaction, an affiliate of the Jamaica Plain Neighborhood Development Corporation will acquire the partnership interests in the current ownership entities.

3. Central Building, Worcester – Recommitment and Increase of Taxable Permanent Loan presented by Meaghan McCarthy:

Central Building is a proposed adaptive re-use project that will result in 55 new units of housing and ground floor retail space in Worcester. The Central Building Development Group is seeking financing that includes taxable permanent financing and a Workforce Housing Subordinate loan. MassHousing's financing will be provided after construction completion. At the April 11, 2017 Board Meeting, the Board approved commitments of taxable permanent financing in an amount up to \$3,180,000 and a Workforce Housing subordinate loan of \$1,400,000 to acquire and rehabilitate the Development. The proposal presents a recommitment of the permanent loan at an amount of up to \$3,717,000. If feasible within closing timeframes, MassHousing will seek HUD approval to insure this increased loan

amount under the HUD/HFA Risk-Sharing program. Otherwise, the additional amount will be documented as an uninsured second mortgage loan.

4. Chatham West, I, Brockton – Modification of Loan Funding Source presented by Deborah Morse:

On December 12, 2017, the Board approved the commitment of two subordinate loans to support continued affordability at Chatham West I, a 300-unit RAD and Workforce Housing development in Brockton.

One of the previous votes included in the proposal was for the approval of a subordinate loan in the amount of \$3,000,000 to be funded from an undesignated portion of the Opportunity Fund. However, this loan should be funded from MassHousing's Working Capital Fund subject to the terms and conditions as approved by the Executive Director or the Deputy Director.


5. Brayton Hill Apartments, North Adams – Level One Transfer of Ownership presented by Henry Mukasa:

Brayton Hill Limited Partnership requests MassHousing's approval of a Level One Transfer of Ownership. Under the proposed transfer, the Borrower will sell Brayton Hill Apartments to Brayton Hill Apartments MA, LLC, a newly-created single purpose, sole asset, limited liability company. Although the remaining term of the MassHousing loan is only three months, the development's long-term affordability will be maintained pursuant to long-term use restrictions that extend long beyond the maturity of the loan. This Level One Transfer is subject to the requirements of Ownership Policy approved by the Board on August 14, 2007 and further subject to any additional conditions required by the Director of Rental Management and the General Counsel.

The meeting concluded at approximately 2:40 pm.

A true record.

Attest:



Beth M. Elliott, Secretary

Materials:

- Proposed Agenda
- Draft Meeting Summary for December 5, 2017
- Proposed Loan Commitments, Level One Transfer, Loan Forgiveness, Asset Protection and Arrearage Notes for Lorenzo Pitts, Inc. (LPI)

- Proposed Recommitment and Increase for Central Building
- Proposed Modification of Loan Funding Source for Chatham West I
- Proposed Level One Transfer of Ownership for Brayton Hill Apartments