

Minutes of the
Meeting of the Loan Committee
Held on
June 28, 2018

The regular meeting of the Loan Committee of the Massachusetts Housing Finance Agency – doing business as MassHousing – was held on June 28, 2018 at MassHousing’s offices at One Beacon Street in Boston, Massachusetts.

In attendance were:

Members

Present: Rebecca Frawley-Wachtel, designee
Lisa Serafin

Member

Not Present: Carolina Avellaneda

Staff:

Deb Morse
Zan Bross
Chris Burns
Cynthia Lacasse
Antonio Torres
Meaghan McCarthy
Henry Mukasa
Kelly Condon
Bill Dunn
Kaitlyn Mulcahy
Josiah Madar
Sarah Hall
Sergio A. Ferreira
Doug O’Brien
Mildred Mukasa
Hanna Schutt
Beth Elliott

Cynthia Lacasse convened the meeting to order at 2:00 pm. She 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 5, 2018 are hereby approved and placed on record.

Ms. Lacasse then presented the Rental Pipeline Summary.

Rental Pipeline Summary

Ms. Lacasse gave a brief explanation on the Fiscal Year 2018 Rental Loan Commitments to date, including the number of new loans, refinanced loans, preservation transactions and new production transactions.

Camden Apartments, Boston (Lower Roxbury)

Commitment of Tax-Exempt Construction and Permanent Loan and Tax Credit Equity Bridge Loan, presented by Antonio Torres:

Beacon Communities Services LLC has presented a financing proposal for the substantial rehabilitation of Camden Apartments, a historic, state-financed, public housing development with 72 units located in the Lower Roxbury neighborhood of Boston. The proposal presents a transaction that includes State Public Housing Funds, 4% LIHTCs, federal and state Historic Tax Credits, a first-priority MassHousing tax-exempt construction/permanent loan insured under the HUD/HFA Risk Share program in the amount of \$7,915,000, and a MassHousing tax-exempt tax credit equity bridge loan in the amount of \$7,279,600. An allocation of approximately \$15,200,000 in tax-exempt volume capacity is expected to be required for this transaction.

Mt. Pleasant Apartments, Somerville

Commitment of Taxable Permanent Loan, presented by Sarah Hall:

Mt. Pleasant Apartments is an existing 65-unit development located in Somerville. An affiliate of the Estate of Edward A. Fish is seeking approval to prepay its existing mortgage loan in order to refinance this Section 8 development that includes 65 units covered by a Section 8 HAP contract. MassHousing has underwritten the new mortgage loan and will apply to HUD 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 issue a Ginnie Mae Mortgage Backed Security to fund the new mortgage loan.

Newcastle-Saranac, Boston (South End)

Commitment of Subordinate 13A Opportunity Fund Acquisition Loan, presented by Kathleen Evans:

Newcastle-Saranac consists of 97 units in two apartment buildings in the South End neighborhood of Boston originally financed with a Section 13A mortgage which matured on March 1, 2018. The current owner, Newcastle Associates, has signed a Purchase and Sale Agreement with Schochet Associates Inc. in that organization's capacity as the 40T designee of the Department of Housing and Community Development. The transaction to ensure the long-term preservation of the Development will take part in two phases: the Initial Acquisition and the Resyndication. In partnership with and on behalf of the Fenway Community Development Corporation, Schochet has presented a proposal for the Initial Acquisition. The commitment of a MassHousing Subordinate Opportunity Fund Acquisition Loan in the amount of \$1,000,000 will support that Initial Acquisition transaction.

Campbell Purcell, Eastham

Commitment of Subordinate Workforce Housing Opportunity Fund Loan, presented by Deborah Morse:

Bracket Road Housing LLC seeks subordinate financing of up to \$1,500,000 from MassHousing under the Opportunity Fund's Workforce Housing program for the construction of a new residential rental development with sixty-five (65) units in Eastham, to be built on a vacant parcel owned by the Town of Eastham. Fifteen (15) units will be Workforce Housing Units and will be restricted to households earning at least 61% and no more than 80% of Area Median Income. The Borrower has executed a commitment letter from Massachusetts Housing Partnership for a senior permanent loan of \$4,400,000 and a Term Sheet from Bank of America, N.A. for a construction loan of approximately \$8,350,000.

Squirrelwood, Cambridge

Official Action Status, presented by Deborah Morse:

Just-A-Start Corporation, owner of both Linwood Court and Squirrel Brand Building, will combine the two properties into one development to be named Squirrelwood. Just-A-Start Corporation is currently seeking Official Action Status to demonstrate progress to other funders and tax-credit investors, and 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, which will not exceed \$22,000,000, will be used as project financing for the new construction and rehabilitation of Squirrelwood. This project received an award of \$4.8 million in 13A Preservation soft debt; \$2.8 million will come from MassHousing and \$2 million will come from DHCD. Additional funding sources include

federal tax-credit equity, the Cambridge Affordable Housing Trust Fund, DHCD CBH and HSF, state historic tax credit equity, local historic grants, a deferred Developer fee and Developer's cash equity. This transaction will ensure that this development continues to serve low-income households in Cambridge well into the future.

Ms. Lacasse asked if there was any other old or new business for the Members' consideration. There was none. Ms. Lacasse then adjourned the meeting at 2:40pm.

A true record.

Attest:



Beth M. Elliott, Secretary
Secretary

Materials:

- Proposed Agenda
- Draft Meeting Summary for June 5, 2018
- Proposed Rental Pipeline Summary
- Proposed Commitment of Tax-Exempt Construction and permanent loan and Tax Credit Equity Bridge Loan for Camden Apartments
- Proposed Commitment of Taxable Permanent Loan for Mt. Pleasant Apartments
- Proposed Commitment of Subordinate 13A Opportunity Fund Acquisition Loan for Newcastle-Saranac
- Proposed Commitment of Subordinate Workforce Housing Opportunity Fund Loan for Campbell Purcell
- Proposed Official Action Status for Squirrelwood