Minutes of the Regular Meeting of the Members of MassHousing and a Special Meeting of Center for Community Recovery Innovations, Inc. ("CCRI") held on April 14, 2020

The regular meeting of the Massachusetts Housing Finance Agency – doing business as MassHousing, and a special meeting of its affiliate, Center for Community Recovery Innovations, Inc. ("CCRI"), was held on April 14, 2020. In accordance with the Order Suspending Certain Provisions of the Open Meeting Law, G.L. c.30A Section 20 issued by Governor Baker on March 12, no Members were physically present and the meetings were conducted remotely through a publicly accessible Zoom Meeting.

Participating remotely were all the Members (by roll call):

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

Members Not Participating: None

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*

Chairman Dirrane convened the meeting to order at 2:01 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, by roll call vote, approved by all the Members:

VOTED: That the minutes of the meeting held on March 10, 2020 are hereby approved and placed on record.

Chairman Dirrane asked meeting observers to identify themselves through the 'raise hands' function in Zoom if anyone wished to record the meeting, so that he could inform the Members, as required by the Commonwealth's open meeting law. No one indicated an intent to record the meeting.

Chairman Dirrane then provided an update on the Agency's shift to remote work during the ongoing COVID-19 pandemic. He reported that the Agency was able to shift 85-90% of staff to remote work quickly and recognized the contributions of Director of Information Technology, Paul Haggerty, Manager of Network and Computer Services, Thaddeus Darcy, and the entire Information Technology group, and other staff members for making the shift possible and ensuring it was done safely.

Chairman Dirrane reported that he had communicated with key department heads, developers and other stakeholders in MassHousing's work and that they all complemented the Agency's transition with special praise for Director of Administration, Jennifer Foley.

Nia Jenkins then provided a short tutorial on the functionality of the Zoom application to ensure Agency Members and participating staff were able to view presentations and speak at the meeting.

Chairman Dirrane then called upon Charles Karimbakas, MassHousing's Financial Director, for his finance update.

Finance Update

Mr. Karimbakas began by noting that the pandemic had resulted in unprecedented job losses in Massachusetts and across the nation. This was expected to lead to difficulty paying rent and mortgage payments.

Mr. Karimbakas then summarized the exposure of MassHousing's finances to the pandemic. The primary sources of cash flow driving MassHousing's business as originating, servicing, insuring and financing federally insured or guaranteed single family and multifamily mortgages. The Agency's loan servicing portfolio is about $8 billion, of which about 90% is federally backed. Mr. Karimbakas stated that passage of the CARES act added additional stress to servicers, because it requires servicers to grant forbearances to borrowers if they are experiencing COVID-related financial problems. A forbearance means the borrower does not have to pay and the borrower cannot foreclose. Additionally, landlords cannot evict. But the law does nothing to relieve servicers from their obligation to pay principle and interest to loan investors and security holders, so MassHousing is in the middle between borrowers and investors.

Mr. Karimbakas explained that MassHousing will continue to perform its obligations and is well positioned to perform and to survive the crisis based on the info known now. MassHousing's current liquidity position means it can survive for the foreseeable future. The Agency has cash on hand to meet obligations even if it is not receiving regular loan payments. These obligations are not only to security holders and investors in federally backed loans, but also to the Agency's employees, retirees, and investors in loans without federal backing.

Mr. Karimbakas then explained that the Agency's liquidity is from three sources. The first is the working capital fund. Due to strong net income in recent years, the working capital fund is now about $200-225 million. The other two sources of liquidity are the Mortgage Insurance Fund and the Agency's bond programs (single family and multifamily). Mr. Karimbakas repeated his belief that the Agency can withstand severe stress from COVID for the foreseeable future.

Mr. Karimbakas also explained that the Agency has two unusual buffers most mortgage servicers do not have. The first is the combination of the Mortgage Insurance Fund and MIPlus. Under MIPlus (Mortgage Insurance Plus), which is a benefit MassHousing offers single family borrowers, if the borrower loses their job and receives unemployment from the state, the Mortgage Insurance Fund will pay up to 6 months of principal and interest payments. Mr. Karimbakas expressed the hope that this will be a temporary problem and that MIPlus will hold borrowers over until they are employed again.

Chairman Dirrane then noted that MIPlus was put in place in 2004 and that the Mortgage Insurance Fund started in 1988. The Agency never predicted the current scenario but it survived the 2008/2009 housing finance crisis. MassHousing is the only mortgage finance entity that has unemployment insurance ahead of mortgage insurance. It is an amazing tool that MassHousing staff put in place in 2004.

Mr. Karimbakas stated that he has been called several times from national players in industry in recent weeks about the MIPlus program.

Mr. Karimbakas then described the second buffer, that a majority of the multifamily portfolio has Section 8 subsidies. For developments with Section 8 contracts, MassHousing collects that first, pays debt service, and sends the remainder to the projects. It is a good buffer to the multifamily portfolio other servicers don't have.

Mr. Karimbakas next stated that MassHousing will avail itself to state and federal aid if and when it becomes available. The MBA is lobbying Washington, and the HFA trade group is also engaged. He explained that the federal government thinks the enhanced unemployment payment it provided will help lenders/servicers and are waiting and seeing beyond that.

A discussion about the overview portion of the Finance Report then followed. Lisa Serafin asked what the foreseeable future means. Mr. Karimbakas said it was based on highly speculative analyses using the limited information available but would be difficult to address in detail now, but is the same analysis provided to our rating agencies.

Caroline Avellaneda asked what other HFAs are doing. Mr. Karimbakas responded by saying that most HFAs only do single family lending, but MassHousing is in lockstep with everyone else. He further explained that on the single family side, many HFAs are 100% GNMA. MassHousing is more mixed, with Fannie and Freddie too. MassHousing is doing everything everyone else is doing but all business models are a little different

Ping Yin Chai asked if there were any changes for new originations, noting that the industry trend is tightening mortgage standards for everything from VA to jumbo.

Mr. Karimbakas responded that MassHousing had made changes and that more information would be provided.

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 complementing Mr. Karimbakas. She then noted it had only been a month since the pandemic and its economic fallout had set in. She said that MassHousing is doing everything required by the CARES act and has made a few other changes to programs, such as waiving eligibility requirements for the MIPlus program and no longer providing downpayment assistance to borrowers receiving FHA mortgages. Otherwise there are no changes to the mortgages the Agency is providing and it is proud to still be serving.

Ms. Kornegay then invited Mounzer Aylouche, Vice President of Homeownership Programs to add additional information.

Mr. Aylouche stated that the Agency is monitoring the market on a daily basis so it can quickly react, that employment of loan applicants is verified 24 hours before loan closing and loan funding. The goal is to make sure the loans MassHousing is buying are safe.

Chairman Dirrane asked about the risk of loans going into default before we are able to sell them to an investor. Mr. Aylouche replied there is some risk but that MassHouisng is not purchasing any loans that are in forbearance or for which the borrower has asked for a forbearance.

Mr. Karimbakas added that MassHousing had learned from monitoring other HFAs during the financial crisis that it is important to keep the window open for MassHousing's long term business prospects. If the Agency tightens too much, it's hard to re-open. Mortgage Backed Securities continue to be purchased by the Fed, so the market is liquid and working. It is a good market for MassHousing to sell loans originated through FHA and Fannie and Freddie. The Fed has been putting loans on its balance sheet to add stability to the marketplace.

Finance Update (continued)

Mr. Karimbakas then resumed the Finance Update and summarized the current state of the Agency's single family business. As of March 31, the Agency services about 20,000 single family loans, about $4 billion. 93% of the total, $3.7 billion, is backed by the federal government and is subject to the CARES act. About $3 billion of that is backed by Fannie Mae.

Chairman Dirrane mentioned that there were rumors that as of July 1 there will be Fannie Mae forbearances of pass through principal and interest payments.

Mr. Karimbakas then described recent changes to delinquency in the single family portfolio. At the end of March, delinquency had increased 69 basis points since the past month to 4.36%, in the Agency's view, due to COVID-19. As of April 9, MassHousing had granted 920 forbearances, for loans with total outstanding principal balance of $197 million, and for such loans had provided $1.5 million in monthly principal interest, tax, and insurance payment relief.

Chairman Dirrane asked for confirmation that MassHousing will cover insurance and tax during forbearance. Mr. Karimbakas confirmed and explained the Agency is require to do so and that it might be more of a cash flow hit than the principal and interest payments.

Chairman Dirrane asked staff to define "delinquency" for the Members. Mr. Aylouche responded that it means more than 30 days late.

Ms. Kornegay stated that MassHousing had been in discussion with DHCD and the administration about access to funding under the CARES act to address required advances and other possible deficits.

Ms. Serafin asked whether forbearances were granted on month to month basis.
Mr. Karimbakas responded that they were granted in 90 day increments, for up to 360 days, as permitted by the CARES Act.

Mr. Karimbakas then summarized the increase in telephone call volume to MassHousing regarding single family home servicing. In February the Agency took 4000 calls. In March, 6000 plus calls, a 28% increase. In April the staff expected more than 7000 calls, another 16% increase, and 50% above February. The average speed to answer and the abandonment rate are much better than the industry norm.

Mr. Karimbakas noted that after forbearance, borrowers will likely need to enter into loan modifications. He noted that MassHousing has very experienced staff who will be spending lots of time first processing forbearances, then doing modifications and pointed out that there was lots of hard work yet to come.

Mr. Karimbakas then stated that the window is open for new business, and that the Agency is taking in millions of dollars in new rate locks. Rates are still low for borrowers and staff expects business to continue.

Ms. Kornegay highlighted how hard staff has been working in order to meet call volumes.

Chairman Dirrane stated that MassHousing is lucky to have Kevin Mello, Director of Homeownership Servicing and Operations.

Mr. Karimbakas next discussed the MIPlus program in more detail and the Agency's financial exposure. He explained that during all of 2019, the Agency paid $90,000 in MIPlus benefits. Borrowers need to show 3 weeks of unemployment to qualify for benefits and staff expect claims to increase significantly now. Mr. Karimbakas stated that through 2019, the Agency only went to claim on 195 borrowers getting MIPlus benefits. But assuming everyone who can takes advantage of the program (including through eligibility waivers), the total exposure to agency is $84 million. The Agency also has $123 million in total exposure from loans for which the Agency is the investor. The Agency has $127 million in the Mortgage Insurance Fund. In total, the Agency has a risk to capital ratio of 1.63 to 1, which is very low. The Mortgage Insurance industry average is 12-15 to 1. MassHousing's Mortgage Insurance Fund should be able to withstand very big stress from the current crisis.

Ms. Avellaneda asked at what level the MIPlus program was stressed tested when set up. Mr. Karimbakas replied that he was not sure.

Chairman Dirrane recalled that the Agency looked at risk scenarios used by others and concluded that MassHousing would survive the worst cases projected by others.

Ms. Avellaneda asked about the difference between the financial crisis and the current crisis. Mr. Karimbakas replied that the difference was the speed in which it's occurring. This one is happening over weeks, not months and it is unclear what will happen.

Chairman Dirrane stated that in 2008 and 2009, Fannie and Freddie drove the economy down, but this time the economy was taking housing down.

Mr. Karimbakas then summarized the status of the Agency's multifamily portfolio. He explained that there are 390 projects with $4 billion in loans that we service; 90% of which is federally backed. About $1 billion of the portfolio is backed by GNMA and $1 billion is owned by FFB. He noted that more than half the projects have Section 8, which is a great mitigant of risk, and that there were no issues with the multifamily portfolio in March. As of April 10, of the 42 properties with GNMA securities, the Agency had received 39 payments. The maximum exposure from having to make advances for the remaining three properties was $115,000. Of the 46 FFB loans, there were five missing payments and a maximum exposure of $300,000. For the 45 loans with other participants, all have paid. So of the 133 loans MassHousing services for investors, 94% of April payments have been collected, and only about $400,00 of maximum exposure, which will likely decrease over the month. The rest of the multifamily portfolio has a grace period until April 15, but anecdotally has felt like a regular month. There will be an update at next month's board meeting.

Ms. Kornegay noted that April payments are related to March money, so we will need to wait for future months to see how the crisis will affect borrowers. MassHousing staff will be meeting with the largest borrowers to get sense of what it will mean for the Agency.

Chairman Dirrane stated that MassHousing needs to be thinking about how to work with borrowers.

Mr. Karimbakas then summarized the Agency's risk from loans made to multifamily projects currently under construction. There are currently 43 projects for which MassHousing is the construction lender or has committed to take out a construction loan. 24 are in City of Boston where there is shutdown, accounting for 4,900 units and $865 million in construction contract value. 13 of these projects are 90% or more complete, so are not a big concern. 20 are less than 50% complete, so are a bigger risk. 10 are between 50 and 90% complete. Mr. Karimbakas stated that he expects the parties will work something out and projects will be completed. Projects are generally set up to absorb up to 90 days delay without much issue. It is possible MassHousing will need to put some more money in deals to get them completed, but they will get completed.

Mr. Karimbakas concluded his presentation by noting that things are changing daily and expressing his belief that MassHousing will be able to meet all obligations.

Chairman Dirrane complimented Mr. Karimbakas's presentation and said it allays concerns.

Ms. Serafin agreed it was impressive to pull so much together while working remotely and ask if there would be updates. Mr. Karimbakas said there would be.

Ms. Avellaneda asked if the Agency was feeling the impact of working from home.
Ms. Kornegay responded that Agency staff have been amazing and that management feels the transition had been seamless. She also noted there had been a major water leak in the Agency's offices the previous Saturday and that 98% of staff were now working from home.

Ms. Avellaneda asked Mr. Karimbakas what keeps him up at night. Mr. Karimbakas replied that it was the risk of the economy being shut down for a whole year and unemployment reaching 40% for long time, which the Agency would not be immune to.

Ms. Kornegay added that Agency staff had been having regular communication with DHCD, which is also funding most of the construction projects. MassHousing has dealt with construction problems before. She added that the Agency is fortunate not to have layoffs or furloughs in the foreseeable future.

Votes to Approve Transfer from Opportunity Fund to Covid-19 RAFT Program

Mr. Karimbakas next presented a proposal to commit $5 million from the Opportunity Fund.

The Commonwealth of Massachusetts, through its Department of Housing and Community Development ("DHCD") administers a Residential Assistance for Families in Transition ("RAFT") program. The RAFT program helps keep households in stable housing situations when facing eviction, foreclosure, loss of utilities, and other housing emergencies caused by loss of income, increase in expenses, or both. RAFT assists households of all sizes and configurations with financial assistance up to $4,000 per household to help preserve current housing or move to new housing.

Among the many measures being undertaken in response to the Covid-19 emergency, The Commonwealth asked the Agency for financial support in creating a special fund under the RAFT program. The $5 million funding request enables the RAFT program to create a special program for households facing instability as a result of a COVID-19 related housing crisis due to a loss of wages or increase in expenses (e.g., medical expenses) (the "Covid-19 RAFT Fund"). This additional funding will result in approximately 1,667 households impacted by COVID-19 being served. The following vote would transfer $5,000,000 from the Opportunity Fund to DHCD to be used for Covid-19 RAFT program.

Upon a motion duly made and seconded, it was, by roll call vote, approved by all the Members:

VOTED: To contribute $5,000,000 from the Opportunity Fund to the Commonwealth of Massachusetts to be used for the Commonwealth's Covid-19 RAFT Fund.

FURTHER VOTED: To authorize the Executive Director, Financial Director, Chief Operating Officer, or General Counsel, each acting singly, to execute and deliver such documents and take such actions as may be necessary or advisable in furtherance of the above vote.

Votes to Authorizing Pandemic Relief for Multifamily Developments

Mr. Karimbakas then presented a proposal to authorize relief to borrowers of multifamily loans in light of the COVID-19 Pandemic.

As a result of the current COVID-19 pandemic, the federal government recently enacted the federal Coronavirus Aid, Relief and Economic Security (CARES) legislation and is anticipating additional legislation, regulations and/or other administrative directives (collectively, as amended from time to time, the "Federal Pandemic Relief Program"). The Commonwealth is working on relief measures as well (collectively, as amended from time to time, the "State Pandemic Relief Program" and, collectively with the Federal Pandemic Relief Program, the "Relief Programs"). The Relief Programs will require certain specified relief with respect to a significant portion of the MassHousing multifamily portfolio in response to the pandemic, but will not cover all developments.

Therefore, MassHousing staff is seeking authority to provide relief parallel to any relief mandated by the Relief Programs with respect to all of its multifamily developments, at the discretion of the Executive Director and/or the Vice President of Multifamily Programs, in consultation with the Financial Director and the General Counsel. This authorization would apply only to mandatory relief required under the Relief Programs. The MassHousing multifamily portfolio is diverse and involves the interplay of various partners, including, but not limited to, HUD, DHCD, private investors, other lenders, the Federal Financing Bank and other participants. Any relief measure proposed with respect to a development will be subject to the requirements and restrictions of the programs and partners involved in the development.

The COVID-19 pandemic is an ever-changing situation, so it is anticipated that further action may be required, including, potentially, the need for other relief or a new soft debt program. Staff will continue to talk with borrowers and evaluate the situation before bringing any new proposals to the Members.

Upon a motion duly made and seconded, it was, by roll call vote, approved by all the Members:

VOTED: To authorize the Executive Director and/or Vice President of Multifamily Programs, in consultation with the Financial Director and the General Counsel, to provide relief parallel to the relief, including any obligations imposed thereby, mandated by (i) the federal Coronavirus Aid, Relief and Economic Security (CARES) legislation and any additional legislation, regulations and/or other administrative directives (collectively, as amended from time to time, the "Federal

Pandemic Relief Program") and (ii) any legislation, regulations and/or other administrative directives from the Commonwealth (collectively, as amended from time to time, the "State Pandemic Relief Program" and, collectively with the Federal Pandemic Relief Program, the "Relief Programs"); to its multifamily developments, whether or not such developments are included in the mandate to provide relief in the Relief Programs; and to authorize the Executive Director to further designate certain individuals the authority to approve certain specified actions; provided, however, that this authorization shall automatically expire as of December 31, 2020, unless extended by the Agency Members. Notwithstanding any such termination of relief, any relief action that has been granted to a borrower prior to such termination date, as it may be extended, shall remain effective for the term specified, regardless of whether such term extends beyond the termination date, as it may be extended.

FURTHER VOTED: To authorize the Executive Director, Financial Director, General Counsel, and Vice President of Multifamily Programs, each acting singly, to execute and deliver on behalf of the Agency such agreement(s) and other document(s) deemed necessary or appropriate to implement the foregoing, the form and substance of which such agreement(s) and other document(s) shall be acceptable to the General Counsel, and to further authorize the Executive Director to designate certain other specified individuals to execute documents in connection with the foregoing.

Upon a motion duly made and seconded, it was, by roll call vote, approved by all the Members:

VOTED: To recess the MassHousing meeting in order to convene a special meeting of CCRI.

CCRI Funding Recommendation

Chairman Dirrane convened a special meeting of Center for Community Recovery Innovations, Inc. (CCRI) to order at 3:18pm.

Mr. Karimbakas presented a proposal to establish a COVID-19-related grant program.

Since the new COVID-19 crisis took hold, CCRI grant awardees of current and previously funded projects have contacted Agency staff with requests for assistance to help provide social stability to its residents and financial stability to the sober house or property. Many of their residents have lost their jobs which affects their ability to pay rent, and most of these residents will not be eligible for the federal stimulus payments; some may be ineligible for unemployment insurance benefits.

The sober houses, particularly the smaller ones, are struggling to meet their mortgage payments due to lack of rental income and additional increased operating costs such as higher food bills, increased costs for supplies and cleaning, additional payroll expenses for overtime/substitute staff to cover for sick staff, and additional resources to assist residents in applying for available benefits. In addition, some entities have identified additional costs for associated technology needs that will allow residents to utilize telehealth options and participate in their regular programs which have all converted to on-line rather than in person meetings.

Proposed Grant Assistance Program:
Our community of previous awardees would greatly benefit from the availability of additional grant funding to help them weather higher costs and keep their most vulnerable residents in a stable and supportive living environment. The availability of these additional grants would serve as bridge funding to keep houses operational and prevent residents from being displaced. The CCRI Account currently has more than sufficient funds to support a new round of grant funding at the proposed $700,000 level. Applications for this grant funding would be limited to prior CCRI awardees and total grant amounts are not to exceed $25,000. Applications would be considered on a case-by-case basis and grants would be awarded only to entities with documented financial needs brought on by, or intensified by, the COVID-19 crisis.

Upon a motion duly made and seconded, it was, by roll call vote, approved by all of the Members:

VOTED: That the Center for Community Recovery Innovations, Inc. ("CCRI"), an affiliate of the Massachusetts Housing Finance Agency, approve the expenditure of its funds in an amount not to exceed $700,000 (the "Funds") for the purpose of making grants to entities that have previously received grants from CCRI within the last ten years, in amounts determined by appropriate need as documented in submission to CCRI, but not to exceed $25,000 to any one entity, to be applied to the payment of costs incurred as a result of the Covid-19 emergency.

FURTHER
VOTED: That the Director of the Community Services Department: 1.) review grant requests and award funds in an expedited manner to grantees with documented financial needs; 2.) present a report at the May Board meeting, and subsequent Board meetings as applicable, listing grantees, grant amounts and purpose, and; 3.) conduct any and all actions necessary to ensure the appropriate application and utilization of the Funds.

With no other CCRI business, Chairman Dirrane asked if there was a motion to adjourn. Upon a motion duly made and seconded, it was, by roll call vote, approved by all the Members:

VOTED: To adjourn the CCRI meeting and resume the MassHousing meeting.

The CCRI meeting was adjourned and the MassHousing meeting resumed at 3:20pm.

Loan Committee

New Port Antonio, Boston (Roxbury & Dorchester)

Antonio Torres presented a proposal for Commitment of a Taxable Permanent Loan for New Port Antonio.

The Borrower, an affiliate of PNC Bank, acquired the property in November 2015 with a $25 million MassHousing acquisition loan, which was provided subject to a commitment by the Borrower to refinance the development with a MassHousng first mortgage loan on or before maturity of the acquisition loan. The Borrower's 2015 commitment to refinance with MassHousing was given subject to MassHousing's ability to provide refinancing on terms and conditions consistent with then-available market financing for low income housing tax credit properties similarly situated. The refinancing commitment allowed the Borrower to pursue refinancing with an institutional third-party lender (excluding the Sponsor), but required the Borrower to allow the Agency to match the material terms and conditions of such third party financing. This proposal is the result of a competitive process where MassHousing was able to match the best offer that the Borrower received.

The Borrower's goal has been to acquire and hold this property until it can be sold to a buyer that can secure tax-exempt financing in conjunction with the 4% LIHTC, and thereby ensure that the property can be adequately capitalized to do significant capital improvements. The current physical rating of "C" reflects fair/satisfactory building conditions and insufficient reserves. The proposed financing may allow the opportunity to reassess the physical rating after loan closing.

New Port Antonio consists of 91 one-bedroom, 88 two-bedroom, 32 three-bedroom, and 16 four-bedroom apartments in 17 three-story walk-up buildings which are all located within approximately 0.5 miles of each other. Since November 2015, the property has remained between 98% and 100% occupied. The property has a small grocery store of approximately 748 gross square feet. Capital improvements over the past several years have included new boilers, window renovations, masonry improvements, and roof replacements. New Port Antonio's physical condition received a HUD REAC score of 97b (out of 100) on August 1, 2019.

All 227 units are restricted to households earning no more than 60% of AMI and all units are covered by a project-based Section 8 HAP contract that is due to expire in 2033.

This proposal is for a permanent loan to repay existing Agency debt, complete immediate repairs, recapitalize the replacement reserve account and provide the owner with an equity take-out.

Upon a motion duly made and seconded, it was, by roll call vote, approved by all the Members:

VOTED: To approve the findings and determinations set forth below and to authorize a permanent first mortgage loan in a principal amount of up to $40,000,000, to be made to PNC ARHPF New Port Antonio Apts, LLC or another single-purpose entity controlled by PNC Bank (the "Borrower") as owner of the multifamily residential development known as "New Port Antonio" (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.

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:
Twenty percent (20%) of the units 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 879 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 97.2%, and range between 94.5% and 100%. My review of similar mixed-income/subsidized portfolio properties (1,125 units) demonstrated a weighted average vacancy rate of approximately 1.41%. The property has operated as a Section 8 and market property since 1973, and the average vacancy rate for the property for the past 5 years was 1.30%. CoStar data for the subject's Roxbury/Dorchester submarket (6,356 units) has an overall vacancy rate at 7.1% YTD, which is an increase of 3.33% from one year ago. CoStar data for the Boston market (218,310 units) has an overall vacancy rate of 5.2% YTD, which is a slight increase of .19% from one year ago. The rate is projected to increase to 6.4% over the next five years, while the Boston Market is projected to increase to 6.5%.

CoStar, submarket data for the 4-5 Star building type (1,365 units) indicates a 4th Qtr. 2019 vacancy rate of 23.3% and an average asking rent of $2,659, while submarket data for the subject's 3 Star building type (2,628 units) indicates a 4th Qtr. 2019 vacancy rate of 3.5% at an average asking rent of $2,508. 1-2 Star buildings indicate a 4th Qtr. 2019 vacancy rate of 1.9% at an average asking rent of $1,508. The development with its amenities, more closely reflects the 3 Star building type, and is reflected in both the vacancy rate and market rent potential. The reason for the high vacancy for the 4-5 Star building types is because out of the 9 properties included in this group, one property is in the initial lease up with a vacancy rate of 51.6%

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 the BHA maintains 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. There were also 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. The BHA also maintains a Public Housing Wait list with 34,949 households including 14,720 families with children, 9,524 families with disabilities, and 4,154 elderly families. The BHA had single applicants on the waiting list, as well as families that fit into one or more categories. This waiting list is open. The 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 does not lead to the undue concentration of low-income households. Although it is a low-income development, it is located adjacent to market-rate homes and 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	91	88	32	16
Net SF/Unit	825	975	1,050	1125
Elev./Non-Elev.	N	N	N	N
Market Rate Rent (insert)	$2,657	$3,196	$3,681	$4,005
MHFA Below Market Rent (Cost-Based Rent)	$1,782	$2,321	$2,806	$3,130
MHFA Adjusted Rent		30% of Income		
Underwriting Rents				
Project-Based Section 8 HAP	$1,782	$2,321	$2,806	$3,130

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.

808 Memorial Drive, Cambridge

Kathleen Evans presented a proposal for Commitment of Tax-Exempt Construction/Permanent Loan, Commitment of Tax-Exempt Construction/Equity Bridge Loan, and Approval of 4% Tax Credits for 808 Memorial Drive.

808 Memorial Drive is a 300-unit mixed-income, mixed-use development located on the Charles River in Cambridge. The Development is located at the intersection of Memorial Drive and River Street, adjacent to a public park, as well as a Whole Foods Market and a Walgreens.

The Development, which comprises two adjacent buildings, was originally financed with a subsidized Section 236 mortgage loan that was set to mature in 2020. In 2015, a Rent Supplement Contract expired, resulting in 76 of the units receiving Tenant Protection Vouchers ("TPVs"), which were then project-based. The 2019 prepayment of the Section 236 loan qualified the remaining 136 affordable units for additional TPVs. As part of this transaction, nearly all of those TPV-holders have elected to convert their mobile subsidy to a project-based subsidy, and the Cambridge Housing Authority is providing a new twenty-year project-based Section 8 contract for all 212 of the affordable units. The dwelling units in each of the two buildings will comprise two (2) residential condominium units, respectively, while the commercial space in each building and the parking garage will comprise three (3) separate commercial condominium units. This MassHousing debt transaction only involves the two residential condominium units.

The Development is a mix of one, two, three and four-bedroom units. Eighty-eight (88) units are leased at unrestricted market rents, while the remaining 212 units will be under a fifteen-year project-based Section 8 contract from the Cambridge Housing Authority (CHA). There was an existing project-based contract for a portion of the affordable units that was put in place at the termination of the Rent Supplement contract, and the balance of the units were added following the prepayment of the Section 236 mortgage. For some households who currently pay less than the formula would dictate for their tenant rent share, this transition to Section 8 tenant rent setting would result in an increase in tenant paid rent of more than 10%. Earlier this year, the property went through a budget-based rent increase process and, at that time, the CHA and the Sponsor negotiated and executed a preservation agreement that outlined a phase-in of these rent increases. Rather than underwrite the full PBV rents and capitalizing a reserve to offset the phase-in schedule, the Sponsor has elected to have MassHousing underwrite the current tenant-paid rents. Over the next three years, the actual rental revenue for these units will increase – so we expect that the actual coverage and cash flow will be higher than projected in our underwriting.

Additionally, related to the affordability, the Sponsor is planning to use income averaging in order to allow units occupied by existing households with incomes between 61-80% of AMI to credit-qualify. The number of units set at the 80% level will be determined by the number of households that ultimately fit this category. The Sponsor is working with DHCD on the necessary approvals for this approach.

The Development is supporting substantial existing subordinate debt, most of which is held by Sponsor affiliates; since repayment of that debt would essentially be fee income to the Sponsor, DHCD has requested that it all be deferred and resubordinated. Additionally, thanks to the recent rent increase, the construction period income is expected to be substantial, even with very conservative assumptions. Finally, both the remaining IRP subsidy and the LIHTC equity are fixed amounts. As such, the first mortgage for this transaction is effectively the gap filler. Since the Sponsor received clear guidance from DHCD that the per unit TDC for this transaction must not exceed $500,000, the first mortgage is not maximized. As a result, we have relatively high debt service coverage. These sources support over $250,000 in per unit capital improvements, as well as other transaction costs.

Upon a motion duly made and seconded, it was, by roll call vote, approved by all the Members:

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 loan commitment for the multifamily development known as "808 Memorial Drive" (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 $76,657,000 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 Members of MassHousing dated June 11, 1996, staff makes the following Official Action Status findings for the proposed project:

1. Homeowners Rehab, Inc. ("Developer") have 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 is acceptable for the intended housing.
4. There is a need for the proposed housing in the community.

Mortgage Loans

Upon a motion duly made and seconded, it was, by roll call vote, approved by all the Members:

VOTED: To approve the findings and determinations set forth below and to authorize (a) a permanent first mortgage loan in a principal amount of up to $61,657,000, such first loan to be insured under the HUD HFA Risk Sharing Program; and (b) a subordinate construction/equity bridge mortgage loan in a principal amount of up to $23,900,000, in each case to be made to 808-812 Memorial Drive II LLC or another single-purpose entity controlled by 808-812 Memorial Drive II LLC (the "Borrower") as owner of the multifamily residential development known as "808 Memorial Drive" (the "Development") and located in Cambridge, 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:

(a) The Borrower shall provide confirmation acceptable to the General Counsel which demonstrates that the residential condominium declared by 808-812 Memorial Drive Declarant LLC, the sub-ground lessee and owner of the two residential condominium units and three commercial condominium units.

(b) The Borrower shall provide confirmation acceptable to the Director of Rental Underwriting and General Counsel that the residential and commercial condominiums will be considered separate for the purpose of real estate taxes, and that the residential condominiums will be taxed directly.

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 multifamily development located in Cambridge, Massachusetts and known as "808 Memorial Drive" (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 Rental Business Development, the Director of Rental Lending, the Director of Rental Operations, 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 the 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 mortgage loan, and other MassHousing debt as determined by the Executive Director or the Vice President of Multifamily Programs, 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.

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:
212 units (70%) 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 783 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 97.6%, and range between 93.4% and 100%.

REIS, Inc. data (2nd Qtr. 2019) for the subject's Cambridge/Watertown/Waltham submarket has a vacancy rate at 6.3% YTD (5.1% Boston Metro). This rate is projected to increase to 6.9% over the next five years, while the Boston Metro is projected to increase to 5.5%. Vacancies in the Cambridge/Watertown/Waltham submarket have averaged approximately 5.8% over the last five years, while the Boston Metro is slightly better at 4.7% over the last five years.

REIS, Inc. submarket data for the Class A building type (17,46 units) indicates a 2nd Qtr. 2019 vacancy rate of 7.1% and an average asking rent of $3,784. REIS, Inc. submarket data for the subject's Class B/C building type (17,652 units) indicates a 2nd Qtr. 2019 vacancy rate of 5.7% at an average asking rent of $2,256. The development when renovated along with the proposed amenities, more closely reflects the lower end of the Class A or the upper end of the Class B/C property type and is reflected in both the vacancy rate and market rent potential. One of the comparable properties was offering ½ month free rent and the submarket is offering .82 free rent.

According to the Department of Housing and Community Development's (DHCD) Chapter 40B Subsidized Housing Inventory (9/24/17), the City of Cambridge has 46,690 year-round housing units, 6,911 (14.8%) of which are subsidized for low/moderate income households.

Per a representative of Cambridge Housing Authority (CHA) they manage the following types of public housing; 532 state and federal public housing units, 1,226 Rental Assistance Demonstration (RAD) housing units, 802 Section 8 Demonstration/ Disposition units, and 110 State assisted units that are new construction. Per the representative of CHA there are 9,200 on the waiting list and they do not currently have separate waiting list for state assisted units.

CHA also administers tenant-based assistance which includes 4,179 Housing Choice vouchers, 554 Non-Moving To Work vouchers, 150 state vouchers and 120 Moderate Rehab vouchers. Per the CHA representative, there are 13,874 applicants on the waiting list for these vouchers. The CHA representative also stated that the number of unique applicant households across all lists are 19,332.

U. S. Census data from the 2013-2017 American Community Survey (ACS) indicates that of the 44,234 households in the City of Cambridge, approximately 60.7% earned less than the HUD published 2019 AMI ($113,3000), approximately 35.7% earned less than 50% of 2019 AMI, approximately 41.4% earned less than 60% of the 2019 AMI and approximately 49.8% 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 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	128	138	30	4

Net SF/Unit	647	954	1325	1478
Elev./Non-Elev.	Y	Y	Y	Y
Market Rate Rent (insert)	$3,165	$3,565	$3,990	$4,180
MHFA Below Market Rent (Cost-Based Rent)	$2,096	$2,495	$2,920	$3,110
MHFA Adjusted Rent	30% of Income			
Underwriting Rents				
Market	$2,200	$2,800	-	-
Project-Based Section 8	$2,032	$2,472	$3,086	$3,346
236 Rents in Place	$1,809	$2,156	$2,258	$2,402

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.

Hebronville Mill, Attleboro

Sarah Hall presented a proposal for Level One Transfer of Ownership, Restructuring and forbearance of existing debt, and Commitment of Acquisition and Capital Needs Loan for Hebronville Mill.

This transaction is important as it will allow MassHousing to get a portfolio SHARP deal, Hebronville Mill, into the hands of an owner who will collaborate with MassHousing in the complicated process of addressing capital needs and restructuring debt. The only for MassHousing to accomplish this goal is to also facilitate the purchase of Gardner Terrace I and II as part of a portfolio transaction because the current owner of all three properties will only sell them together.

As part of these transactions MassHousing is requiring that all three properties are transferred simultaneously so we can get the existing ownership out completely and is also requiring that the future recapitalization of all three properties must be done with MassHousing.

An affiliate of Preservation of Affordable Housing (POAH) has entered into a purchase and sale agreement to acquire Hebronville Mill and to assume the existing MassHousing permanent and

State Housing Assistance Rental Production ("SHARP") debt. Upon acquisition of the property, POAH will set up a critical repair escrow, to be controlled by MassHousing, using the proceeds of a new subordinate loan from MassHousing. In addition to some long-standing operational challenges, there are uncertain legal issues related to shared systems and spaces between Hebronville Mill and the adjacent Gardner Terrace II building. The proposed transfer of Hebronville Mill, therefore, will occur simultaneously with POAH's acquisition of Gardner I and Gardner II, two debt-free properties currently in MassHousing's Section 8 Contract Administration portfolio. Gardner II is connected to Hebronville Mill and Gardner I is a building about four miles away near Attleboro's downtown. Upon acquisition of the entire portfolio, POAH will work to secure the necessary funds to recapitalize the properties and preserve affordability for the long term.

Hebronville Mill is part of a mill complex with manufacturing buildings in which cotton waste material was reprocessed along with mill worker housing. The Ten Mile River flows under the original mill buildings on the site. The original mill buildings were constructed in the 1850s and Hebronville Mill was converted to housing in 1985. In 1989, the two townhouse buildings were built. The subject property comprises six buildings, one of which is attached to Gardner Terrace II, an adjacent mill building in the same complex that contains the heating plant for Hebronville Mill.

Of the 83 total units, 43 are unrestricted market rate and the remaining 40 are restricted at 80% of AMI. There are currently 32 MRVP vouchers, which will be converted to a formal project based MRVP contract as part of POAH's acquisition.

POAH will assume the existing MassHousing debt, which has been in default since 2001. The debt will then be subject to a forbearance agreement so that POAH is not in default immediately upon closing of the acquisition. MassHousing has commissioned a CNA, and POAH has commissioned several third-party reports, most of which were to study in greater detail the building envelope and the dam and culvert that are part of the Gardner II/Hebronville property. Given the conclusions of these reports, POAH has sized a preliminary critical repair escrow at just over $5.5 million. This amount is subject to change based on MassHousing's review of those reports, but the goal is to ensure POAH's ability to address critical capital needs during an up to four year period as POAH works towards a future recapitalization.

The MassHousing loan, then will have a 12-month term, with three 12-month extensions built in. The loan will be a deferred payment at 0%, funded initially from the Opportunity Fund, but with language to allow for the future reimbursement from the SHARP funds.

Upon a motion duly made and seconded, it was, by roll call vote, approved by all the Members:

VOTED: That MassHousing approves the Level One Transfer of Ownership of Hebronville Mill to a sole-asset, single-purpose entity controlled by Preservation of Affordable Housing, Inc., subject to the requirements of the Transfer of Ownership Policy approved by MassHousing on August 14, 2007, and further subject to the special conditions set forth in the vote below and any additional conditions required by the Director of Rental Management and the General Counsel.

FURTHER VOTED:

To approve the findings and determinations set forth below and to authorize a subordinate acquisition and capital repair loan in a principal amount of up to $5,950,000, to be funded from unrestricted funds in the Opportunity Fund approved by the Agency on March 8, 2016, to be made to a to-be-formed single-purpose entity controlled by Preservation of Affordable Housing, Inc. (the "Borrower") as owner of the multifamily residential development known as "Hebronville Mill" (the "Development") and located in Attleboro, 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:

1. Borrower shall create an easement or another legal arrangement, to be documented as determined by the General Counsel, between Hebronville Mill and Gardner Terrace II such that Hebronville Mill has access to and shares responsibility for the heating and cooling plant housed at Gardner Terrace II but serving both Gardner Terrace II and Hebronville Mill.

2. Borrower shall simultaneously acquire Gardner Terrace I and II.

3. Borrower shall fund a critical repair escrow to be held by MassHousing.

4. The acquisition of the Development for $100 satisfies all obligations of the seller, including, specifically, the $381,832 loan to Brown Street I for bridge repairs.

5. The Borrower shall execute a disposition agreement at closing that will restrict 40 of the units at 80% of AMI in perpetuity.

FURTHER VOTED:

That MassHousing approves an extension of the term of the existing MassHousing debt on the Development, and authorizes MassHousing to enter into a forbearance arrangement with the Borrower relating to such debt, subject to such terms and on such conditions as may be required by the Vice President of Multifamily Programs and the General Counsel.

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 authorized in the votes set forth above, and (2) any 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.

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:
40 units (48%) 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 940 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 98.6 %, and range between 95.7% and 100%. The subject has operated as a 100% Section 8 elderly development since approximately 1985.

REIS, Inc. data (3rd Qtr. 2019) for the subject's South/SE Suburban submarket have projected a vacancy rate at 4.4% YTD (5.1% Boston Metro). This rate is projected to increase to 5.1% over the next five years, while the Boston Metro is projected to increase to 5.3%. Vacancies in the South/SE Suburban submarket have averaged approximately 4.9% 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 (4,658) indicates a 3rd Qtr. 2019 vacancy rate of 4.7% and an average asking rent of $1,923. 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 (12,216 units) indicates a 3rd Qtr. 2019 vacancy rate of 4.1% and an average asking rent of $1,593.

None of the comparables reviewed offered concessions, however the use of concessions continues in the Boston Metro and the 3rd 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 Attleboro had 17,798 year-round housing units, 1,155 (6.4%) of which are subsidized for low/moderate income households.

Further, the Attleboro Housing Authority (AHA) owns and /or operates four State funded Elderly/Disabled Public Housing developments which have 319 one-bedroom units. Per the representative of AHA, Massachusetts Housing Authorities have transitioned to the centralized CHAMP waiting list system and they are unable to tell end how many people are on the wait list. The also participate in the Massachusetts Rental Voucher Program and the breakdown of applicants are as follows, 1BR – 240 applicants, 2BR-454 applicants and 3BR- 179 applicants. Also, per the AHA representative, they administer 176 Section 8 Housing Choice Vouchers in the centralized waiting list administered through the state and wait time is over ten years.

U.S. Census data from the 2013-2017 American Community Survey (ACS) indicates that of the 17,094 households in the City of Attleboro approximately 55.6% earned less than the HUD published 2019 AMI ($81,900), approximately 29.2% earned less than 50% of 2019 AMI, approximately 35.2% earned less than 60% of the 2019 AMI and approximately 46.5% 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 change neither the current income mix of the Development nor that of its surrounding locality.

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	27	39	17
Net SF/Unit	690	1,030	1,224
Elev./Non-Elev.	N	N	N
Market Rate Rent (insert)	$1,334	$1,505	$1,747
MHFA Below Market Rent (Cost-Based Rent)	$881	$1,053	$1,294
MHFA Adjusted Rent	30% of Income		
Underwriting Rents			
Market	$927	$1,055	$1,292
80% AMI	$850	$1,050	$1,300

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.

Gardner Terrace I&II, Attleboro

Sarah Hall presented a proposal for Commitment of Acquisition Loan for Gardner Terrace I&II.

An affiliate of Preservation of Affordable Housing (POAH) has entered into a purchase and sale agreement to acquire Gardner Terrace I & II. Upon acquisition of the properties, POAH will set up a critical repair escrow, to be controlled by MassHousing, to address the most pressing capital needs in advance of a more thorough tax credit recapitalization. The purchase of Gardner I & II will occur simultaneously with POAH's acquisition of Hebronville Mill, an 83-unit SHARP property currently in MassHousing's loan portfolio. Upon acquisition of the whole portfolio, POAH will work to secure the necessary funds to complete the final preservation transaction.

The two sites are about four miles apart. Gardner Terrace I is located near Attleboro's downtown, in a predominantly single-family neighborhood; Gardner Terrace II is located on the southwest side of Attleboro and is connected to the Hebronville Mill building. The Ten-Mile River runs beneath the Gardner II site.

Gardner Terrace I consists of two buildings originally built in the 1850s as jewelry factories and converted to 92 units of housing in 1984. Gardner Terrace II has two attached buildings constructed around 1850 and used as weaving mills until their conversion to 52 units of housing in 1985.

Gardner Terrace I & II together contain 144 one-bedroom units, all of which are subsidized by a Project-Based Section 8 Contract.

Upon a motion duly made and seconded, it was, by roll call vote, approved by all the Members:

VOTED: To approve the findings and determinations set forth below and to authorize an acquisition first mortgage loan in a principal amount of up to $11,300,000, to be made to a to-be-formed single-purpose entity controlled by Preservation of Affordable Housing, Inc. (the "Borrower") as owner of the multifamily residential development known as "Gardner Terrace I & II" (the "Development") and located in Attleboro, 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:

1. Borrower shall create an easement or another legal arrangement, to be documented as determined by the General Counsel, between Hebronville Mill and Gardner Terrace II such that Hebronville Mill has access to and shares responsibility for the heating plant housed at Gardner Terrace II but serving both Gardner Terrace II and Hebronville Mill.

2. Borrower shall simultaneously acquire Hebronville Mill.

3. Borrower shall fund a critical repair escrow to be held by MassHousing.

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:
144 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 940 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 98.6 %, and range between 95.7% and 100%. The subject has operated as a 100% Section 8 elderly development since approximately 1985.

REIS, Inc. data (3rd Qtr. 2019) for the subject's South/SE Suburban submarket have projected a vacancy rate at 4.4% YTD (5.1% Boston Metro). This rate is projected to increase to 5.1% over the next five years, while the Boston Metro is projected to increase to 5.3%. Vacancies in the South/SE Suburban submarket have averaged approximately 4.9% 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 (4,658) indicates a 3rd Qtr. 2019 vacancy rate of 4.7% and an average asking rent of $1,923. 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 (12,216 units) indicates a 3rd Qtr. 2019 vacancy rate of 4.1% and an average asking rent of $1,593.

None of the comparables reviewed offered concessions, however the use of concessions continues in the Boston Metro and the 3rd 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 Attleboro had 17,798 year round housing units, 1,155 (6.4%) of which are subsidized for low/moderate income households.

Further, the Attleboro Housing Authority (AHA) owns and /or operates four State funded Elderly/Disabled Public Housing developments which have 319 one-bedroom units. Per the representative of AHA, Massachusetts Housing Authorities have transitioned to the centralized CHAMP waiting list system and they are unable to tell end how many people are on the wait list. The also participate in the Massachusetts Rental Voucher Program and the breakdown of applicants are as follows, 1BR – 240 applicants, 2BR- 454 applicants and 3BR- 179 applicants. Also, per the AHA representative, they administer 176 Section 8 Housing Choice Vouchers in the centralized waiting list administered through the state and the projected wait time is over ten years.

U.S. Census data from the 2013-2017 American Community Survey (ACS) indicates that of the 17,094 households in the City of Attleboro approximately 55.6% earned less than the HUD published 2019 AMI ($81,900), approximately 29.2% earned less than 50% of 2019 AMI, approximately 35.2% earned less than 60% of the 2019 AMI and approximately 46.5% 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 change neither the current income mix of the Development nor that of its surrounding locality.

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
Number of Units	144
Net SF/Unit	548
Elev./Non-Elev.	E
Market Rate Rent (insert)	$1,796
MHFA Below Market Rent (Cost-Based Rent)	$ 1,300
MHFA Adjusted Rent	30% of income
Underwriting Rents	
Project-Based Section 8	$1,300

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.

Borden Place Apartments, Fall River

Sarah Hall presented a proposal for Approval to accept assignment of a HUD-issued Firm Commitment for FHA-insurance, Commitment of a first mortgage loan (the "New Loan") and Approval to finance the New Loan through the issuance of a Ginnie Mae MBS for Borden Place Apartments.

This proposed refinancing transaction will be the second under the Joint Venture for Borden Place Apartments, an age-restricted project containing 261 units in two buildings. The loan will provide funds to repay existing debt, complete minor repairs, fully fund the replacement reserves, and withdraw equity.

The 3.59-acre site is within walking distance of shopping, pharmacies, local government services and healthcare. The multiple bus lines that are proximate to Borden Place enhance the sites' walkability. The South Main Street Senior Center is within one to two blocks of the subject's buildings. The center provides a variety of programs and activities.

Built in 1981, the 3.59-acre development consists of two age-restricted apartment buildings on two proximate sites on Borden Street and South Main Street in Fall River. The Borden Street parcel contains a single seven-story brick building. The South Main Street parcel contains a connected five and seven-story brick building.

The development includes 261 units and consists of all one-and two-bedroom units. Of the 261 units, 260 are subsidized through the Project-Based Section 8 Program. The current Section 8 Contract is in effect through June 2035. To extend the project's affordability for the long-term, ownership will terminate the existing contract and execute a new 20-year Section 8 contract through the Mark-Up-To-Market program at closing.

Rockport Mortgage Corporation is requesting FHA mortgage insurance in the amount of \$36,400,000. The proceeds will be used to repay \$25,280,688 in existing indebtedness, complete approximately \$80,537 in critical and non-critical repairs, fund an initial deposit to replacement reserves of \$2,700,000 or \$10,345 per unit, and fund an equity take-out of \$10.2 million.

Upon a motion duly made and seconded, it was, by roll call vote, approved by all the Members:

VOTED: To approve the findings and determinations set forth below 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 \$36,400,000, 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 \$49,140,000 nor less than \$23,660,000 to Borden Street Associates Limited Partnership (the "Borrower") for Borden Place Apartments and (2) to make the FHA-insured first mortgage loan to the Borrower for Borden Place Apartments in the approximate amount of \$36,400,000 subject to the limitation that the final amount of such loan shall not be more than \$49,140,000 nor less than \$23,660,000 on terms acceptable to MassHousing, 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 May 14, 2019, 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 Borden Place Apartments.

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:
260 units (99.6%) 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 1,136 units) in the area revealed a strong rental market. Current occupancy rates of the five comparable properties reviewed averaged approximately 97.6% and range between 95% and 100%. My review of similar mixed-income/subsidized portfolio properties (1,125 units) demonstrated a weighted average vacancy rate of approximately 1.41%.

CoStar data for the subject's Fall River/Providence submarket (8,445 units) has an overall vacancy rate at 2.2% YTD, which is decrease of .61% from one year ago. CoStar data for the Providence market (52,281 units) has an overall vacancy rate of 3.6% YTD, which is a decrease of .02% from one year ago. The rate is projected to increase to 2.9% over the next five years, while the Providence market is projected to increase to 4.1%.

CoStar, submarket data for the 4-5 Star building type (208 units) indicates a 4th Qtr. 2019 vacancy rate of 0% and an average asking rent of $1,292, while submarket data for the subject's 3 Star building type (1,356 units) indicates a 4th Qtr. 2019 vacancy rate of 2.8% at an average asking rent of $1,329. 1-2 Star building type (6,868 units) indicate a 4th Qtr. 2019 vacancy rate of 2.0% at an average asking rent of $1,128. The development with its amenities, more closely reflects the 3 Star building type, and is reflected in both the vacancy rate and market rent potential.

According to the Department of Housing and Community Development's (DHCD) Chapter 40B Subsidized Housing Inventory (9/14/17), the City of Fall River has 42,650 year round housing units, 4,751 (11.1%) of which are subsidized for low/moderate income households.

In addition, the Fall River Housing Authority (FHA) owns/manages 7 Federally assisted family properties with a total of 979 units, the representative could not provide the unit breakdown. FHA also owns/manages 10 Federally assisted elderly/disabled properties with a total of 1, 054 units. Per the representative of FHA, the wait list for the federally assisted units over five years.

FHA also manages 2 state assisted family properties with a total of 217 units and one State assisted Elderly property with a total of 54 units. Per the representative of FHA participate with CHAMP, the statewide waiting list, and the representative stated the wait list was over 5 years. Finally, FHA administers 2,459 Housing Choice Vouchers and per the representative of FHA they participate on the state centralized waiting list and per the representative there are 220,027 applicants on the centralized list.

U.S. Census data from the 2013-2017 American Community Survey (ACS) indicates that of the 38, 611 households in the City of Fall River, approximately 77.9% earned less than the HUD published 2019 AMI ($81,900), approximately 51.3% earned less than 50% of 2019 AMI, approximately 59.5% earned less than 60% of the 2019 AMI and approximately 67.9% 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 change neither the current income mix of the Development nor that of its surrounding locality

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
Number of Units	229	32
Net SF/Unit	754	893
Elev./Non-Elev.	Elev	Elev
Market Rate Rent (10% Rate 20 Yr. Term)	$2,167	$2,374
MHFA Below Market Rent (Cost-Based Rent)	$1,398	$1,606
MHFA Adjusted Rent	30% of 80% AMI	
Underwriting Rents		
Section 8	$1,450	$1,650
Section 8 (MH Disposition Agreement)	$1,193	$1,415

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.

Riverside Towers, Medford

Joseph Hughes presented a proposal for Approval for a Level 1 Transfer of Ownership for Riverside Towers in Medford.

The current Borrower, controlled by the Lerner family through BNYH Real Estate Management, LLC and its agent, Murray Rabinowitz, is seeking MassHousing's approval to allow for the sale of the property to a newly formed joint venture between Schochet Companies and a fund created by Jonathan Rose Companies. The proposed buyer, which will be managed by an affiliate of Schochet Companies, will assume the MassHousing mortgage and other loan documents and plans to maintain the development as affordable housing once the development is transferred.

Riverside Towers is a 200-unit apartment community originally constructed in 1979, consisting of one-fourteen story building. The building has 199 units assisted under Section 8 for elderly households, including 161 one-bedroom and 38 two-bedroom units, and a two-bedroom maintenance manager unit.

The site is well maintained and had extensive improvements in recent years, including boiler replacement, utility conservation improvements (toilet replacement and lighting replacement), accessibility improvements and other site work to bring the property to current standards. In 2016, MassHousing made a first mortgage loan to the Borrower in the original principal amount of $50,850,000 under the HUD/Treasury FFB Program. The Development is in good condition according to MassHousing's Risk Rating criteria and many improvements have been made over the past few years.

Upon a motion duly made and seconded, it was, by roll call vote, approved by all the Members:

VOTED: That MassHousing approve the Level One Transfer of Ownership of Riverside Towers in Medford, Massachusetts from BNYH Medford LLC to RAHF V/Schochet Riverside Towers, LLC or another newly formed single-purpose, sole asset entity affiliated with Schochet Companies, subject to the requirements of the Transfer 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 or General Counsel, and that the Executive Director, Vice President of Multi-Family Programs and General Counsel each be authorized, acting singly, to execute such documents, agreements, and instruments on behalf of the Agency in connection therewith.

Lisa Serafin recused herself and left the meeting.

Clarendon Hill – Building E, Somerville

Sarah Hall presented a proposal for Official Action Status for Clarendon Hill – Building E in Somerville.

Clarendon Hill Apartments is an existing 216-unit state public housing development owned by the Somerville Housing Authority, which issued a request for proposals for the property's redevelopment using DHCD's Partnership to Expand Housing Opportunities. In 2016, POAH, in partnership with Somerville Community Corporation ("SCC") and Gate Residential, was the successful respondent and plans to replace the existing 216 public housing unit and add workforce and market rate housing, for a total of 591 units in at least three phases. This first phase, Building E, will be developed by POAH and SCC and will consist of 168 newly constructed units, of which 96 will be replacement public housing. Additional phases will be developed jointly by POAH and SCC, while Gate Residential will build one phase independently.

The Somerville Housing Authority has entered into a Memorandum of Understanding with the to-be-formed joint venture consisting of POAH, Gate Residential, and Somerville Community Corporation. Pursuant to the terms of the MOU, the joint venture and the Somerville Housing Authority were co-applicants for a grant from DHCD. They were successful in this application, having received an award for $10,500,000 in capital subsidy toward the redevelopment effort.

Also pursuant to the MOU, there will initially be a land disposition agreement ("LDA") with the Somerville Housing Authority for the entire site. On a phase-by-phase basis, the individual developer entity will then enter into a ground lease with the Somerville Housing Authority. The Somerville Housing Authority continues to actively negotiate with the POAH/SCC/Gate Residential team to finalize the LDA. The parties involved have a broad agreement on the terms in the LDA but are fine-tuning some elements of the negotiation. Once they have agreed on the terms of the LDA, DHCD will need to review and approve the document before it is executed by all parties. Simultaneously, the Somerville Housing Authority's counsel is drafting the ground lease for the Building E site, which will be the governing document once the LDA expires. The land disposition agreement would satisfy the requirement for site control, but absent this document in final form, Staff has reviewed a narrative site control plan, including a draft of the land disposition agreement and recommends accepting it as appropriate evidence of site control.

Clarendon Hill Apartments is located in the Teele Square neighborhood, near Somerville's border with Arlington. The site currently has nine 3-story buildings, all of which will be demolished as part of the proposed redevelopment. The site is within easy walking distance of green space, a bike path, other recreation opportunities, a supermarket, and Tufts University.

Upon a motion duly made and seconded, it was, by roll call vote, approved by all the Members' present:

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 loan commitment for the multifamily development known as "Clarendon Hill – Building E" (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 $37,647,176 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.

VOTED: To accept the site control plan provided by Preservation of Affordable Housing, Inc. in its role as developer of the Development as appropriate evidence of site control for purposes of the grant of Official Action Status, and to waive the requirement for the Official Action Status finding (2).

OFFICIAL ACTION STATUS FINDINGS

In accordance with the vote of the Members of MassHousing dated June 11, 1996, staff makes the following Official Action Status findings for the proposed project:

1. Preservation of Affordable Housing, Inc. ("Developer") has acceptable multifamily housing development experience and acceptable credit history.

2. [See below.]

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.

Staff has not been able to make the following Official Action Status finding for the proposed project (see Agency vote above):

> 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.

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 3:45 p.m. Upon a motion duly made and seconded, it was, by roll call vote, of all the Members:

VOTED: To adjourn the MassHousing meeting at 3:45 p.m.

A true record.

Attest.

Colin M. McNiece
Secretary