Minutes of the Meeting
of the Members of
MassHousing
held on
June 12, 2018

The regular meeting of the Massachusetts Housing Finance Agency – doing business as MassHousing was held on June 12, 2018 at MassHousing's offices located at One Beacon Street in Boston, Massachusetts. In attendance were:

Members

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

Staff

Maureen Burke
Laurie Bennett
Deb Morse
Kathleen Evans
Sarah Hall
Meaghan McCarthy
Josiah Madar
Nancy McDonald
Kevin Mello
Amy J. Dominici
Thomas Wolf
Ricky Ochilo
Anna Reppucci
David Keene
Daniel Staring
Kathy Connolly
Joseph Mullen
Paul Hagerty
Joseph Hughes
Stephen Vickery
Kaitlyn Mulcahy
Natalie Hession
Marco Navarro
Craig Merry
Paul Mulligan
Mary Magliozzi
Belmira Fallon
Tom Lyons
Henry Mukasa
Charles Karimbakas
Paul Scola
Sergio Ferreira
Paul McMorrow
Cynthia Lacasse
Lisa Fiandaca
Eric Gedstad
Courtney Murtagh
Stephen Payson
Nancy Slaney
Jill Lavacchia
Lisa Levine
Linda Bosse
LaVergne Randolph
La'Kayla Carpenter
Hana Migliorato
Bethany Wood
Katherine Miller
Deepak Karamcheti
Mounzer Aylouche
Gary Brown

Gail Bishop
Mildred Mukasa
Rachael Weaver
Janet Billane
Joe McNiff
Karla Ocegueda
Carmen Beato
Leanne McGinty
Maureen McLaughlin
Olivienne James-Cooney
Nick Pepe
John McCormack

Guests

Zak Kiritsy, Related Beal
Paul Ladd, Bank of America-Merrill Lynch
George Jaeger, Bank of America-Merrill Lynch
Lena Altomar, US Bank
Charles Carey
Brandon Wolanski, Barclays
Alan Jaffe, Jeffries
Tim Mustacato, WinnCompanies
Pearse O'Baoill, WinnCompanies

Chairman Dirrane convened the meeting to order at 2:00 p.m. He indicated that the first order of business was the approval of the minutes of the previous meeting. Upon a motion duly made and seconded, it was

VOTED: That the minutes of the meeting held on May 8, 2018 are hereby approved and placed on record.

Chairman Dirrane then called upon Chrystal Kornegay, Executive Director, for her monthly report to the Members.

Executive Director's Report

Ms. Kornegay began by announcing that since our last Board Meeting, Governor Baker signed into law a $1.8 billion Housing Bond Bill. This housing bill is the largest bill in history and represents a huge accomplishment for Governor Baker as it allows the Governor to continue implementing his housing agenda. Ms. Kornegay went on to say what a huge accomplishment this Housing Bond bill was for everyone at MassHousing. The bill contains language that will allow MassHousing to operating differently in two very important ways.

First, Ms. Kornegay explained the Housing Bond Bill expands MassHousing's ability to provide loan servicing, master servicing, mortgage insurance and other products to homeowners outside of Massachusetts, under certain conditions. Ms. Kornegay continued by saying MassHousing has been preparing to grow our servicing business for years. We have made significant investments to our technology so that we can provide state-of-the-art, personalized servicing that helps ensure the long-term success of borrowers.

Ms. Kornegay added that because of that planning, we do not need to make major changes to take on the new business and over time, this change could generate as much as $1 million in additional revenue.

Ms. Kornegay continued by stating another change in the bond bill enables MassHousing to partner more effectively with other HFAs. This legislation will allow MassHousing to act more regionally with our sister HFAs as we respond to initiatives on the federal and state level.

Ms. Kornegay concluded her discussion of the Housing Bond Bill by noting that it includes $100 million in bond authorization for MassHousing's Workforce Housing Fund. These funds represent a new program for the state and it is a testament to MassHousing's Workforce Housing program.

Ms. Kornegay next announced a new benefit for our Operation Welcome Home Loan Program, which helps Massachusetts military veterans buy a home who might otherwise not qualify for a VA loan. MassHousing's Operation Welcome Home Loan offers up to 100% financing and now will also offer a $2,500 closing cost credit. This new closing cost assistance will provide our veterans with a lot more buying power, making it easier for them to become homeowners in Massachusetts.

Ms. Kornegay next discussed the Massachusetts Equal Pay Act, which will go into effect on July 1, 2018. The law states an employer cannot discriminate because of gender regarding wages. It specifically states an employer cannot pay people of different genders less money for doing comparable work. In anticipation of this, MassHousing did an informal internal assessment and determined that our risk was minimal because of differences due to education, training or experience. These are exceptions that are allowed for in the new law. Ms. Kornegay continued by noting that, nevertheless, to be sure MassHousing is paying all our employees a fair wage, we have selected Gallagher Benefit Services to conduct a third-party pay equity review and a comparison study. We expect this to be completed by the end of the year.

Ms. Kornegay next announced two upcoming ribbon cuttings and two groundbreakings for developments that represent the first workforce housing units funded through our program. These events represent 314 new units with 104 of them being workforce housing units. MassHousing supported these projects with almost $12 million in workforce housing funds and nearly $63 million in debt.

In conclusion, Ms. Kornegay stated MassHousing's FY19 budget is up for a vote. Ms. Kornegay stated the FY19 budget gives MassHousing a rock-solid foundation for change.

Andy Silins asked a question regarding the bill Governor Baker signed and how it allows MassHousing to subsidize workforce housing. Ms. Kornegay answered the budget authorizes the funds, but does not appropriate them. Once MassHousing receives the funding, it can then be deployed into Workforce Housing transactions. Mr. Silins then asked if it was rare to see this type of program, and Ms. Kornegay confirmed that the program is in fact rare.

Chairman Dirrane then asked about the amount of Workforce Housing subsidy per unit and how Workforce Housing funds are used in different types of transactions. Ms. Kornegay informed the

Chairman that the program limit per unit is $100,000. Mr. Silins then added that this is the fun stuff, seeing this gap being filled. Chairman Dirrane commented that MassHousing is doing well at innovating. Lisa Serafin then added that we wondered where the money for the next round would be, but the first phase has really demonstrated the concept can work. She also said that it cannot be overstated how much of a model this is and that MassHousing should be very proud.

Ms. Kornegay concluded her remarks by saying MassHousing is looking at what we need to do for Workforce Housing 2.0 and that she expects to be back in the fall with a proposal.

Vote Approving the Fiscal Year 2019 Fiscal Plan

Charles Karimbakas began his presentation by stating we are trending ahead of forecast with an excess of $27 million projected. We continue to see significant volume in our rental lending production with FY18 projected to be the third year in a row of over $700 million in total lending with is $250 to $300 million more than our bestselling year in history. This increased production has been driven by our taxable refinance business, which started in earnest in FY16. We have closed between $300 and $450 million of taxable lending each year since FY16. This production has been split evenly between our two taxable products, the Risk-Sharing/FFB and MAP/GNMA executions. The FFB product will be closed out shortly as we will have closed on our allocation of 40 projects. This production has yielded over $25 million in fees and premiums since FY16. In addition, in next year's budget, over $5 million is expected from the servicing fees from this business. Mr. Karimbakas finished this portion of his presentation by stating that as of HUD's FY17 end, MassHousing was the 8th ranked HUD lender. This is an impressive achievement as we are only in one state originating only affordable loans.

Mr. Karimbakas then discussed lending on the Homeownership side. Lending volume has been significantly higher in this spring session than last year. The new Down Payment Assistance product was announced on March 12, 2018. April and May's reservations have increased significantly with the DPA production helping to boost production to 2016 levels and beyond. The DPA product represents 40% of our $200 million pipeline. Mr. Karimbakas then noted that prepayments have slowed considerably since January 2017 as interest rates have risen. While this is a positive for our servicing and balance sheet lending business, it does reduce the amount of volume cap recycling ability just as we have launched our DPA product. We will have enough volume cap to support CY18 single-family production, but will need a larger allocation for future years.

Mr. Karimbakas then presented more detail on the proposed Fiscal Plan. The Fiscal Plan is our current best estimate of business projections and financial forecasts. Since some of the major components of our business (e.g., interest rates and market conditions) are beyond our control, preparing this Fiscal Plan represents a significant, yet necessary, challenge.

The plan presented for your review and approval consists of the following items:

Exhibit 1: Revenues and Expenses, by business line, with Corporate separately stated, and the activities of the Working Capital Fund and the bond resolutions combined.

Exhibit 2: Revenues and Expenses, by business line, and the activities of the Working Capital Fund and the bond resolutions combined.

Exhibit 3: Revenues and Expenses, by business line, with Corporate separately stated, and the activities of the Working Capital Fund and the bond resolutions also separately stated.

Exhibit 4: Glossary of Terms.

Exhibit 5: Key Notes.

The proposed Fiscal Plan for FY19 projects an operating budgeted excess of revenues over expenses of $34.3 million, or a 3.1% decrease from the $35.4 million approved budget for FY18. Factoring in the capital expenditures budget of $4.1 million results in a projected overall net income of $30.2 million for FY19, a 3.2% increase from the $29.2 million FY18 approved budget.

Our budget projections for next year point to a 0.7% decrease in revenues and a 0.3% decrease in expenses when compared to the Fiscal Plan for FY18. MassHousing's budgeted net income has settled into a $20-$40 million band since the market disruptions of 2008. This is a significant change from the high earning years prior to the financial crisis. However, HFAs, including MassHousing, have adapted to the difficult macroeconomic environment, reflected most notably by persistently low interest rates. Interest rates have recently started to increase for the first time in ten years.

The Agency expects to transfer approximately $20.9 million from bond programs to support activity in the Working Capital Fund in FY19. These transfers have been a routine part of the Agency's operations over the years. This overall increase in net excess of revenues over expenses reflects budgeted revenues of $247.5 million and budgeted expenses of $213.2 million from all sources. This compares to last year's budget of $249.3 million in projected revenues and $213.9 million in projected expenses.

For FY19, the Agency will have an increase in administrative expenses of $1.1 million, or 1.4%. Significant expense items include personnel costs, pension and OPEB costs, operating costs, IT costs and leased office space costs.

The Fiscal Plan allocates substantial resources to several initiatives that advance the Agency's mission of expanding affordable housing resources and services in the Commonwealth. The Fiscal Plan commits:

- $1.7 million to cover the Commonwealth's 13A shortfall;
- $660,000 to continue the Tenancy Preservation Program, which has won awards from both the NCSHA and The Ford Foundation; and
- Continued funding for other community service programs, including:
  - $1.6 million for security patrols at developments in high crime areas of Boston;
  - $700,000 for developing and preserving sober housing and related services through the Center for Community Recovery Innovations (CCRI);
  - $783,000 for various youth programs, including Youth RAP (Residents' Activities Program);

- $570,000 for the Tenants' Assistance Program (TAP);
- $75,000 towards the Mel King Institute;
- $50,000 towards New Lease (Homelessness)

Upon a motion duly made and seconded, it was

VOTED: To adopt the Proposed Fiscal Plan for Fiscal Year 2019 substantially in the form attached hereto, provided that the Executive Director may authorize the Agency to deviate from such plan during the course of said fiscal year to the extent she deems necessary or appropriate, provided, however, that any material deviations from such plan shall be reported to the Board on a periodic basis.

LOAN COMMITTEE

Orient Heights Phase Two, East Boston

Deb Morse presented a proposal for the Orient Heights Phase Two development in East Boston. The Orient Heights Phase Two development is the second phase of a comprehensive, multi-phase master-planned redevelopment for the entire Orient Heights development, a state-funded public housing property, which has been owned and managed by The Boston Housing Authority. The BHA has designated Trinity Financial to be the developer, owner and manager of the new units. Upon completion the collective effort will yield 331 units of housing.

Phase One involved the demolition of four existing buildings containing 90 dwelling units and central boiler plan and the new construction of 120 units. MassHousing approved a Conduit Loan Structure for this phase in September 2016. Phase Two includes the demolition of four additional buildings and the new construction of 88 units. Similar to Phase One, Trinity Financial has requested that MassHousing serve as the Conduit Issuer for this Phase. More specifically, Trinity has requested that MassHousing act as issuer of up to $26 million in tax-exempt obligations that will be purchased by Citizens Bank. All the funds necessary to complete the project and retire the tax-exempt obligation will come from a combination of State Capital Funds allocated to BHA, proceeds from the sale of the Winthrop Square Garage, additional City of Boston funds, BHA funds and federal LIHTC raised as a result of a 4% LIHTC allocation made possible by the tax-exempt conduit loan being contemplated here.

There are two notable underwriting conditions. First, there are extraordinary costs associated with this development, including the demolition of existing structures, the removal of hazardous materials, site improvement costs related to the challenging topography and the associated soft costs. Second, the $10 million of funds stemming from the sale of the Winthrop Street garage are scheduled to be provided to the city from the developer of the old garage space upon receipt of the building permits. On May 17th, the BPDA voted to approve the design of the proposed new structure bringing the project closer to permitting. BHA and city officials anticipate that the funds will be in place later this summer or early fall. To the extent the funds are not available in time for this project's closing, the City has pledged to bridge these funds with another source. In any case, this project will not close without clear documentation as to the source and timing of these funds. Upon a motion duly made and seconded, it was

VOTED: To approve the findings and determinations contained in Attachment A hereto and to authorize the issuance of multifamily tax-exempt obligations in an estimated principal amount of $26,000,000, with the proceeds of such issuance to be lent under a conduit loan structure to Trinity Orient Heights Phase Two Limited Partnership or another single-purpose entity whose manager is Trinity Orient Heights Phase Two GP LLC (the "Borrower") as owner of the multifamily residential development known as "Orient Heights Phase Two" (the "Development") and located in East Boston, Massachusetts, and in accordance with the applicable Conduit Loan Closing Standards approved by the Members of MassHousing on September 12, 2017 and delegations of authority previously approved by the Members of MassHousing, and further subject to (1) compliance with all applicable laws and all regulations and requirements of applicable financing programs, and (2) the following special conditions: None.

FURTHER VOTED: To authorize the Executive Director, and her designee, each acting singly, to permit the Borrower to enter into, or assume, mortgage loans with third parties with respect to the Development, provided that (1) any such mortgage loans shall be subordinated to MassHousing's mortgage loans, and (2) such subordinate mortgage loans shall be subject to MassHousing's requirements pertaining to subordinate mortgages, in a manner acceptable to MassHousing's General Counsel or her designee.

FURTHER VOTED: That the amount of 4% Credits, as set by the Executive Director, 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 Boston, Massachusetts and known as "Orient Heights Phase Two" (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 Director of Rental Business Development, the Director of Rental Underwriting, the General Counsel or the designee of any of the foregoing, each acting singly, to set the amount of 4% Credits to be used in connection with the Development applying the standards set forth in the immediately preceding vote.

ATTACHMENT A

FINDINGS AND DETERMINATIONS

Statutory Findings:

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

(1) The affordability of rents for 20% of the units:
88 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 (appx. 1,379 units) in the area revealed a strong rental market. Current occupancy rates of the five comparable developments reviewed had an average occupancy of approximately 98.2 %, and range between 95.3% and 100%.

REIS, Inc. data (3rd Qtr. 2017) for the subject's Boston City submarket have projected a vacancy rate at 8.0% YTD (4.9% Boston Metro). This rate is projected to increase to 8.5% over the next five years, while the Boston Metro is projected to increase to 5.8%. Vacancies in Boston City submarket have averaged approximately 4.6% over the last five years, while the Boston Metro has averaged 4.5%.

Further, REIS, Inc. shows that the Boston City submarket data for the subject's Class B/C building type (8,825 units) indicates a 3rd Qtr. 2017 vacancy rate of 5.6% at an average asking rent of $1,773. The development when completed along with the proposed amenities, more closely reflects the Class B/C property type, and is reflected in both the vacancy rate and market rent potential. None of the comparable reviewed were offering rent concessions, although the use of concessions continues in the Boston Metro. The 3rd Qtr.2017, REIS, Inc. data indicates that the Boston City submarket is offering .86 months free rent.

According to the Department of Housing and Community Development's (DHCD) Chapter 40B Subsidized Housing Inventory (12/05/14), the City of Boston 269,482 year-round housing units, 49,324 (18.3%) of which are subsidized for low/moderate income households. Boston Housing Authority (BHA) owns and/or operates approximately 63 housing developments of which 36 are elderly/disabled and 27 are family for a total of 12,623 housing units. In addition to housing developments, BHA administers approximately 14,284 Section 8 housing rental assistance vouchers.

According to the Boston Housing Authority's(BHA) 5-year plan (2015-2019), the BHA owns and operates 63 family and elderly/disabled developments. The BHA also administers Housing Choice Vouchers (Section 8 or Leased Housing) to over 11,000 families, in addition the City of Boston's Consolidated plan (FY2016) indicated that BHA maintain the following wait lists: There are 2,432 households on the Section 8 tenant based assistance wait list, including 1,189 families with children, 617 families with disabilities and 75 elderly families. The BHA also had Single applicants on the waiting list. In addition, there were instances of families that fit into more than one category. This waiting list has been closed since November 2008 and there are no plans to reopen at his time. They also maintain a Public Housing Wait list with 30,411 including 12,845 families with children, 8,068 families with disabilities and 8,760 elderly families. The BHA also had single applicants on the waiting list and families that fit into one or more categories. This waiting list is open.

U.S. Census data from the 2011-2015 American Community Survey (ACS) indicates that of the 256,294 households in the City of Boston approximately 69.7% earned less than the HUD published 2017 AMI ($103,400), approximately 47.0% earned less than 50% of 2017 AMI, approximately 53.1 % earned less than 60% of the 2017 AMI and approximately 61.8% earned less than 80% of the 2017 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. Although it is a low-income development, it is located in an area that includes a mix of residential and numerous retail and restaurant 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.

Miller's River, Cambridge

Deb Morse presented a proposal for Official Action Status for Miller's River in Cambridge. Miller's River is an existing 297-unit development located at 15 Lambert Street, Cambridge. The building was constructed in the early 1970's and serves low-income elderly and disabled households. The property is in need of a full rehabilitation. It has not undergone any sort of substantial rehabilitation since it was built. Because of the size of the project and its anticipated need for $85 million of volume cap, we anticipate providing half of the volume cap in CY 2018 and the remaining half of the volume cap in CY 2019. We also anticipate that this will be a conduit execution similar to our engagement with CHA for Russell Apartments.

The Cambridge Housing Authority is seeking OAS to protect its ability to reimburse any appropriate project expenditures with proceeds of a future tax-exempt financing. Upon a motion duly made and seconded, it was

VOTED: To approve the findings and determinations set forth immediately following this vote and to authorize (i) the Agency to grant Official Action Status and consider the application for a multifamily conduit Tax-Exempt financing for the multifamily development known as "Miller's River" (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 tax-exempt debt by the Agency not be in excess of $85,000,000 in principal amount for the Development; and (iv) that the issuance of tax-exempt 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 approval of the Agency dated June 11, 1996, staff makes the following Official Action Status findings for the proposed project:

1. The Cambridge Housing Authority (the "Developer") has acceptable multifamily housing development experience and acceptable credit history.

2. The Developer has demonstrated an arms'-length evidence of site control either by an option agreement, a purchase and sale agreement, a deed, a contract of sale for the site, and/or other legal evidence of site control, with the land price and/or ground lease rent evident.

3. The proposed site of the Development is acceptable for the intended housing.

4. There is a need for the proposed housing in the community.

Approval of Release of Collateral (Category 1) for Purpose of Developing a Community Center

Henry Mukasa presented a proposal for Approval of Release of Collateral (Category 1) for Purpose of Developing a Community Center.

Pelham I Apartments (the "Development") is a 286-unit family development consisting of 170 two-bedroom units and 116 three-bedroom units. The development is located at 75 Second Street, Framingham, MA. Fifty-eight of the units are leased to the Framingham Housing Authority.

Following a 2014 debt restructuring through the SHARP/RDAL Refinancing Initiative, Red Mortgage Capital, LLC is the senior lender to the Development and MassHousing holds a second priority mortgage lien. The current outstanding balance of the MassHousing loan is approximately $5,762,161.00. DHCD holds a third priority RDAL loan.

The Borrower submitted a request for a partial release of collateral on April 19, 2018, including a conveyance of a portion of the Development's property. Under the Agency's Release of Collateral Policy, proposals to convey mortgaged property are submitted to the Agency Members for approval. Upon a motion duly made and seconded it was

VOTED: To approve the conveyance by Pelham Beaver Limited Partnership (the "Borrower") of three parcels totaling approximately 1,385 sq. ft. of land (the "Parcels") located at the Pelham I Apartments development (the "Development") to Pelham Life Long Learning Center, Inc. ("PLLC"), the release of the Parcels from the MassHousing mortgage of record and other loan documents, as applicable, and the acquisition by the Borrower of 17 sq. ft. of land from PLLC, to facilitate the development by PLLC of a community center available to tenants of the Development; and to authorize the Executive Director and General Counsel, acting singly, to execute such documents, agreements, and instruments on behalf of the Agency in connection with the forgoing, subject to satisfaction of the Conditions set forth below, and with such other conditions as such officers may require.

CONDITIONS:

1. The proposed conveyance documents for the partial release of collateral and the form of Shared Facilities Use Agreement among PLLC, the Borrower and other users of the proposed community center shall be subject to the prior review and approval by the General Counsel and Director of Rental Management or their designees.

2. The Borrower shall execute all necessary documents and/or amendments to existing loan documents in a form acceptable to the General Counsel and Director of Rental Management or their designees.

3. The proposed community center development shall have received all applicable approvals and permits required for commencement of construction

4. The Borrower shall provide an endorsement to the mortgagee title insurance policy for the Development effective as of the closing of the proposed conveyances which confirms MassHousing's continued second priority lien on the Development subject only to those exceptions of title approved by MassHousing's General Counsel or her designees.

5. The Borrower, Development Agent and their related entities shall be current and not in default on all MassHousing mortgage loans.

Loring Towers, MassHousing No. 70-003-R
Level One Transfer of Ownership

Henry Mukasa presented a proposal for a Level One Transfer of Ownership for Loring Towers in Salem.

As part of a portfolio sale of developments from AIMCO to Related Affordable 2018, LLC, an affiliate of The Related Companies, L.P., the Borrower wishes to replace AMICO Bethesda Holdings, Inc., the sole member of the Borrower's General Partner and a limited partner of the Borrower's Limited Partner, with Related Affordable 2018, LLC. Related Affordable 2018, LLC is also acquiring the Oxford Realty Financial Group, Inc. (an AIMCO affiliate), which has the remaining limited partnership interest in the Borrower's Limited Partner. These transfers would result in both (i) a Change in Control to a Controlling Entity of the Borrower and (ii) an aggregate change of more than 49% of the Ownership Interest of the Borrower.

As part of this transaction, Borrower will be replacing its current property manager, NHPMN Management, LLC, with Related Management Company, L.P., a management company that currently manages three MassHousing financed developments, all which are in good standing.

Loring Towers is a 250-unit development in Salem, Massachusetts and was originally financed under the federal 236 programs. In 2009, MassHousing provided take-out permanent financing for the development, which was partially financed with tax-exempt bonds and included 4% low-income housing tax credits and a 236 decoupling. Upon a motion duly made and seconded, it was

VOTED: That MassHousing approve the Level One transfer of ownership for Loring Towers, as described above, subject to the requirements of the Transfer of Ownership Policy approved by MassHousing on August 14, 2007 and further subject to any additional conditions required by the Director of Rental Management or the General Counsel.

Conditions:

1. Execute a new management agreement.
2. Maintain the current levels and term of affordability required under the Regulatory Agreement.
3. Execute all necessary documents and/or amendments to existing organizational documents of the Borrower and/or Borrower entities and, if applicable, loan documents, all in form and substance acceptable to the Director of Rental Management and General Counsel.

Chairman Dirrane asked if there was any other old or new business for the Members' consideration. There was none.

Chairman Dirrane asked for a motion to adjourn the meeting at 2:38 p.m. Upon a motion duly made and seconded, it was

VOTED: To adjourn the MassHousing meeting at 2:38 p.m.

A true record.

Attest.

Beth M. Elliott
Secretary

Carol G. McIver
Assistant Secretary