

**Minutes of the Regular Meeting of the
Members of MassHousing
held on
July 9, 2024**

The regular meeting of the Massachusetts Housing Finance Agency – doing business as MassHousing – July 9, 2024 in accordance with Section 20 of An Act Extending Certain COVID-19 Measures Adopted During the State of Emergency, 2021 Mass. Acts 20, as amended. No Members were physically present and the meetings were conducted remotely through a publicly accessible Zoom meeting.

Participating remotely were the Members (by roll call):

Board Member	Present	Absent
Jeanne Pinado, Chair	X	
Carolina Avellaneda, Vice Chair	X	
Edward Augustus, ex officio	X	
Bran Shim*	X	
Herby Duverné	X	
Jerry Feldman	X	
Tom Flynn	X	
Patricia McArdle	X	
Carmen Panacopolous	X	

**Designee of Secretary Matthew Gorzkowicz, ex officio*

The Chair convened the meeting to order at 2:00 p.m.

The Chair indicated that the first order of business was the approval of the minutes of the June 11, 2024 meeting.

Upon a motion duly made and seconded, by roll call vote, by all Members present (Members Augustus and Avellaneda not yet attending), it was:

VOTED: That the minutes of the Regular Meeting of the Members held on June 11, 2024 are hereby approved and placed on record.

(Edward Augustus and Carolina Avellaneda joined the meeting)

Chief Executive Officer's Report

Chrystal Kornegay began the meeting by announcing an executive restructure. MassHousing has grown a great deal and in looking at best practices for a growing organization, is evolving its executive structure. Ms. Kornegay announced Colin McNiece will become our Chief Legal and Operating Officer (CLOO). Mr. McNiece will continue to be the secretary to the Board and be part of the executive team. The updated reporting structure for the CLOO will include Legal, HR, Executive and Administrative Support, Communications, Internal Audit, and a new data and evaluation group. The CFAO (Rachel Madden), the Vice Presidents of Multifamily (Mark Teden), Homeownership (Mounzer Aylouche), and Equitable Business Development (Tony Richards), as well as the Massachusetts Community Climate Bank (Maggie Super Church) and Capital Formation (Mark Attia) will continue to report to Chrystal Kornegay.

Herby Duverné asked if due to the complexity of the organization, will this change make MassHousing operate more efficiently and asked if we should take a broader look at the organization and have a consultant analyze our structure. Ms. Kornegay answered that the intent this will improve efficiencies and that we had worked with an outside consultant in the design of the changes. She added that we would be hiring a new general counsel to oversee the legal function, a core function of which is closing the multifamily loans.

Ms. Kornegay and members of the Board congratulated Colin McNiece on his new position. Ms. Kornegay concluded by reminding the Members that the Annual Meeting scheduled for October is being planned as an in-person meeting at One Beacon Street.

Vote Authorizing a Revolving Bank Facility to Recycle Multifamily Volume Cap

Paul Scola presented a vote authorizing a revolving bank facility to recycle multifamily volume cap. Tom Flynn asked how we arrived at the amount for a line of credit. Mr. Scola replied that we looked at the prior three year's lending activity that might be applicable to cap recycling and forward expectations in determining the ask for a line of up to \$100 million. Jerry Feldman asked what the interest rate is and Mr. Scola replied it is a variable rate based on the SIFMA index plus a spread. Mr. Scola noted that the Agency had previously had a similar facility and that several other HFAs are doing this as well. Carmen Panacopoulos asked if there is a clean-up provision as far as the variable interest rate and do we have to bring to current at each use the amount we've borrowed and Mr. Scola replied, no.

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

VOTED: to approve the vote and findings as presented in the Board package that is attached and incorporated into the minutes of the meeting.

Loan Committee

Eva White Apartments, Boston (South End)

Mike Carthas presented a proposal for Official Action Status, Commitment of Permanent Tax-

Exempt Loan, Commitment of Tax-Exempt Bridge Loan and Approval for the Use of Low-Income Housing Tax Credits for Eva White Apartments in the South End.

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

VOTED: to approve the votes and findings as presented in the Board package that is attached and incorporated into the minutes of the meeting.

Mary Ellen McCormack, Building A – Boston (South Boston)

Mike Carthas presented a proposal for Official Action Status, Commitment of Permanent Tax-Exempt Loan, Commitment of Tax-Exempt Bridge Loan and Approval for the Use of Low-Income Housing Tax Credits Mary Ellen McCormack, Building A in South Boston.

Jerry Feldman asked if we are committed to the entire project and whether is this the biggest project MassHousing has ever done. Mr. Carthas replied this commitment is only with respect to the first building and there will be subsequent projects at the site that would be separately approved. He also noted that in terms of square footage the overall planned development may be the largest, but that in terms of the scope of development period, it is similar to Old Colony. Jeanne Pinado noted that the operating expenses seem high and asked if something in particular was driving that. Mr. Carthas explained that resident services and security were the primary drivers of those costs and high due to economies of scale that won't be realized until later phases of the development are completed. Tom Flynn congratulated Winn Development and the Agency for advancing this project. Ms. Kornegay noted that the project would not have advance without the assistance of EOHLC and the significant subsidy contributions.

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

VOTED: to approve the votes and findings as presented in the Board package that is attached and incorporated into the minutes of the meeting.

Cheney Homes Apartments, Boston (Dorchester)

Jeff Geller presented a proposal for Commitment of a Tax-Exempt Conduit Loan and Approval of the Use of Low-Income Housing Tax Credits for Cheney Homes in Dorchester.

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

VOTED: to approve the votes and findings as presented in the Board package that is attached and incorporated into the minutes of the meeting.

JP Clifton Place (f/k/a Jefferson Park, Phase I), Cambridge

Kathleen Evans presented a proposal for Commitment of a Permanent Loan Increase for JP Clifton Place (f/k/a Jefferson Park, Phase I) in Cambridge

VOTED: to approve the votes and findings as presented in the Board package that is attached and incorporated into the minutes of the meeting.


The Chair then asked if there was any other old or new business for the Members' consideration.

There was none.

There being no other business to consider, the meeting adjourned at 2:48 p.m.

A true record.

Attest.



Colin M. McNiece
Secretary

Materials:

- Board Package, July 9, 2024



Massachusetts Housing Finance Agency
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Relay 711
www.masshousing.com

Posted: July 3, 2024 @ 11:15
Secretary of the Commonwealth, Regulations Division
Executive Office for Administration & Finance
masshousing.com

NOTICE

of a Meeting of the Members

The regular meeting of MassHousing will be held:

Date: **Tuesday, July 9, 2024**

Time: **2:00 p.m.**

Location: **See below**

In accordance with Section 20 of An Act Extending Certain COVID-19 Measures Adopted During the State of Emergency, 2021 Mass. Acts 20, as amended, this Meeting will not be conducted in a publicly accessible physical location. This meeting will instead be conducted through remote audio and video participation by the Members of MassHousing.

The public will be able to observe the Meeting online through the Zoom video/audio conference program.

The Zoom meeting link for this Meeting is: <https://masshousing.zoom.us/j/85846226674>

The Zoom meeting ID is: 858 4622 6674

The Zoom Passcode is: 369303

Additional instructions for observing the meeting through Zoom are attached to this Notice.

Attention will be given to the following matters:

1. EXECUTIVE ACTIONS

- A. Call to Order
- B. Vote Approving the Minutes
 - Regular Meeting of May 14, 2024
- C. Chief Executive Officer's Report
- D. Vote Authorizing a Revolving Bank Facility to Recycle Multifamily Volume Cap

Maura Healey, Governor
Kim Driscoll, Lt. Governor

Jeanne Pinado, Chair
Carolina Avellaneda, Vice Chair

Chrystal Kornegay,
Chief Executive Officer

2. LOAN COMMITTEE

- A. Eva White Apartments, Boston (South End)
- Official Action Status
 - Commitment of Permanent Tax-Exempt Loan
 - Commitment of Tax-Exempt Bridge Loan
 - Approval for the Use of Low-Income Housing Tax Credits
- B. Mary Ellen McCormack, Building A – Boston (South Boston)
- Official Action Status
 - Commitment of Permanent Tax-Exempt Loan
 - Commitment of Tax-Exempt Bridge Loan
 - Approval for the Use of Low-Income Housing Tax Credits
- C. Cheney Homes Apartments, Boston (Dorchester)
- Commitment of a Tax-Exempt Conduit Loan
 - Approval of the Use of Low-Income Housing Tax Credits
- D. JP Clifton Place (f/k/a Jefferson Park, Phase I), Cambridge
- Commitment of a Permanent Loan Increase

Meeting Notices

In accordance with Section 20 of An Act Extending Certain COVID-19 Measures Adopted During the State of Emergency, 2021 Mass. Acts 20, as amended, this Meeting will not be conducted in a publicly accessible physical location. This meeting will instead be conducted through remote audio and video participation by the Members of MassHousing, and public observation will be available only through the Zoom audio/video conferencing program using the link and Meeting ID provided above. Instructions for joining the meeting through Zoom are attached.

Accessibility

If you need an accommodation to participate in a MassHousing meeting, event, or program, please call 617-854-1000 or email webinfo@masshousing.com. Please request accommodations as soon as possible but no later than 48 hours before a scheduled event so that we can have adequate time to accommodate your needs. [Click here to view our Accessibility statement.](#)

Steps to Join a Zoom Meeting

1. A Zoom meeting link will look like the following:

Join Zoom Meeting

<https://zoom.us/j/6881564212>

Meeting ID: 688 156 4212

One tap mobile

+13126266799,,6881564212# US (Chicago)

+16465588656,,6881564212# US (New York)

Dial by your location

+1 312 626 6799 US (Chicago)

+1 646 558 8656 US (New York)

+1 253 215 8782 US

+1 301 715 8592 US

+1 346 248 7799 US (Houston)

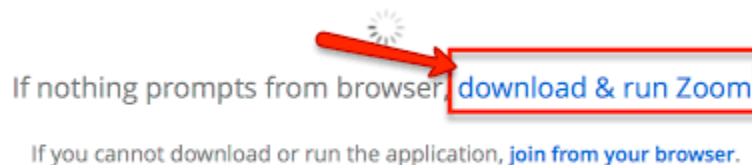
+1 669 900 9128 US (San Jose)

Meeting ID: 688 156 4212

Find your local number: <https://zoom.us/u/acgfl1ziEv>

2. Click the link below 'Join Zoom Meeting'.

NOTE: Simply calling a phone number without "joining the Zoom meeting" will not allow you to see the presentation. Clicking on the link will automatically download the Zoom program (Image below)



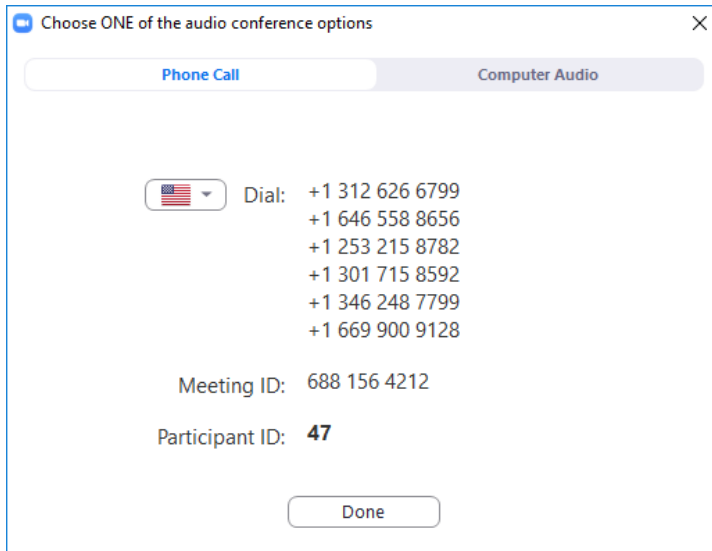
3. If Zoom does NOT automatically download and install. Click Download & run Zoom

NOTE: to see a video about this: <https://youtu.be/vFhAEoCF7jg>

Steps to Join a Zoom Meeting

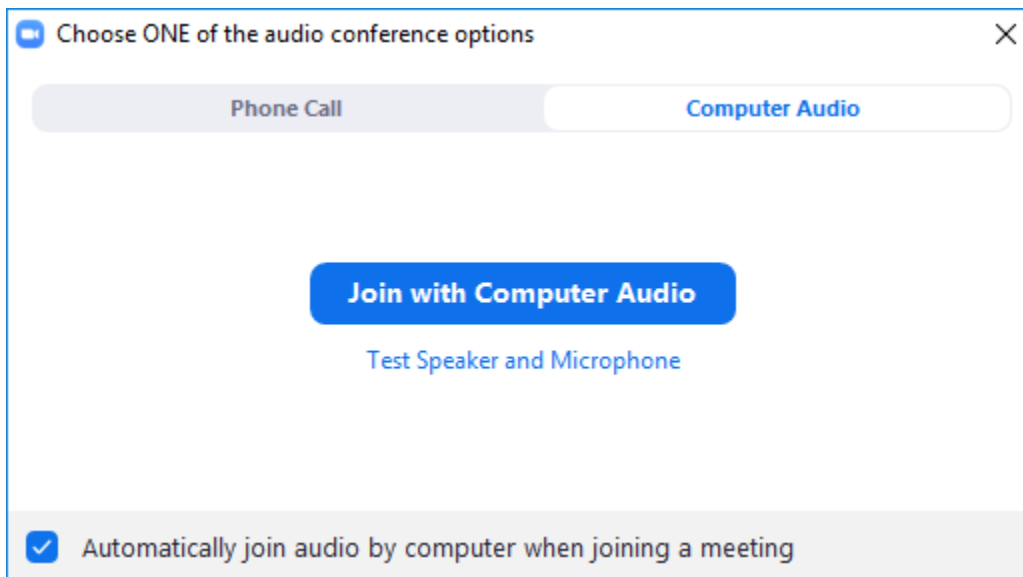
4. You will be provided with Audio Options.

NOTE: The numbers for your meeting may be different than the ones in this example.



5. Call one of the numbers provided and enter your Meeting ID and Participant ID when prompted.
6. If you have a headset or would like to use your computer audio, select the Computer Audio tab and Join with Computer Audio.

NOTE: Uncheck "Automatically join audio by computer" when joining a meeting.



7. All participants on the call will be muted. Please keep yourself on mute so that meeting can be as clear as possible.

**Minutes of the Regular Meeting of the
Members of MassHousing
held on
June 11, 2024**

The regular meeting of the Massachusetts Housing Finance Agency – doing business as MassHousing – was held on June 11, 2024 in accordance with Section 20 of An Act Extending Certain COVID-19 Measures Adopted During the State of Emergency, 2021 Mass. Acts 20, as amended. No Members were physically present and the meetings were conducted remotely through a publicly accessible Zoom meeting.

Participating remotely were the Members (by roll call):

Board Member	Present	Absent
Jeanne Pinado, Chair	X	
Carolina Avellaneda, Vice Chair	X	
Jennifer Maddox*	X	
Bran Shim**	X	
Herby Duverné	X	
Jerry Feldman	X	
Tom Flynn	X	
Patricia McArdle	X	
Carmen Panacopolous	X	

**Designee of Secretary Ed Augustus, ex officio*

***Designee of Secretary Matthew Gorzkowicz, ex officio*

The Chair convened the meeting to order at 2:00 p.m.

The Chair indicated that the first order of business was the approval of the minutes of the May 14, 2024 meeting.

Upon a motion duly made and seconded, by roll call vote, by all Members present (with Bran Shim abstaining), it was:

VOTED: That the minutes of the Regular Meeting of the Members held on May 14, 2024 are hereby approved and placed on record.

Chrystal Kornegay began the meeting by introducing Bran Shim and welcoming him to the MassHousing Board.

New Taxable Product Introduction

Mark Teden presented an introduction of a new taxable product for production of workforce housing.

Chair Pinado remarked that this product will improve our competitiveness versus the market. Herby Duverné thanked Mr. Teden and his team for working on this issue and asked if this would entail hiring additional staff. Mr. Teden replied we do not expect to add additional staff but intend to align current openings with new skill sets. We have hired people from Freddie Mac shops and we intend to leverage their skills. Carolina Avellaneda asked if new products would require approval from the Board. Colin McNiece said approval would be required from the Board for the loan itself. Ms. Avellaneda commented this is a whole new product and a whole new product category. We would be changing our own risk profile. Mr. Teden commented this would give us less credit exposure than a standard loan but more credit exposure than MAP.

Ms. Avellaneda asked if there is a risk of compromising available resources for existing production. Mr. Teden stated we have money to fund our share of these loans without taking away from existing programs. Ms. Panacopolous asked for clarification whether these projects would be market rate projects and if 20% of the units would be affordable. Mr. Teden replied that projects would be at least 20% affordable and that we expect a run rate of \$200 million per year with 900 units funded in total. Chair Pinado asked if we have spoken to 40B developers regarding the lower interest rates and better terms. Mr. Teden replied there is a stereotype among 40B developers and some borrowers shy away from GSE execution. Herby Duverné asked if WMBE is included and Mr. Teden explained we are not at that level of detail yet, but we will look into it. Jeanne Pinado asked when the first loan would be made and Mr. Teden answered that he expects a loan would be made in the Fall of 2024.

Vote Approving the Fiscal Year 2025 Fiscal Plan

Rachel Madden presented the proposed Fiscal Plan for Fiscal Year 2025. She noted that the presentation makes various comparisons throughout on a budget to budget basis but that the appendix includes additional comparisons against projections. She explained that the Fiscal Plan is presented on a modified cash basis and may differ from the annual financial statements due to required accounting treatments. She also noted that the highly unpredictable nature of grant activity can result in significant variance between budget and actual results. Ms. Madden then walked through the various slide and appendices summarizing the Fiscal Plan.

Herby Duverné asked of the \$5.2 million in payroll increase, what percentage of that is attributable to living wage adjustments. Ms. Madden replied the \$5.2 million is for both merit raises for existing staff and costs of additional staff. Approximately 94% constitutes paying staff, with the balance paying costs related to the pension system, OPEB trust, and insurance coverages. The total payroll is approximately \$46 million with headcount being the biggest driver. We have budgeted headcount at 366 in FY25 should the need arise to hire more staff.

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

VOTED: to approve the vote as presented in the Board package that is attached and incorporated into the minutes of the meeting.

Carolina Avellaneda thanked Colin McNiece for the new format for the minutes. She also commented that the introduction of a taxable product has her looking at 40B projects in a different way.

Loan Committee

Brockton South T.O.D. (f/k/a Campello), Brockton

Jeff Geller presented a proposal for Official Action Status, Commitment of a Tax-Exempt Permanent Loan, Commitment of a Tax-Exempt Bridge Loan, Commitment of a Middle-Income (f/k/a Workforce) Housing Subordinate Loan and Approval for the Use of Low-Income Housing Tax Credits for Brockton South T.O.D. (f/k/a Campello), Brockton.

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

VOTED: to approve the votes and findings as presented in the Board package that is attached and incorporated into the minutes of the meeting.

Worcester Boys Club 4%, Worcester

Dan Staring presented a proposal for Official Action Status, Commitment of Tax-Exempt Conduit Loan and Approval for the Use of Low-Income Housing Tax Credits for Worcester Boys Club 4% in Worcester.

Chair Pinado asked why a GMP contract instead of a lump sum contract is being used. Mr. Staring stated that given some of the particular issues with the project it was thought this approach would minimize risk of overages.

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

VOTED: to approve the votes and findings as presented in the Board package that is attached and incorporated into the minutes of the meeting.

Eastwalk (f/k/a Watson Place), Braintree

Nicolas Ye presented a proposal for Commitment of a Permanent Taxable Loan and Commitment of a Middle-Income (f/k/a Workforce) Housing Subordinate Loan for Eastwalk (f/k/a Watson Place) in Braintree.

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

VOTED: to approve the votes and findings as presented in the Board package that is

attached and incorporated into the minutes of the meeting.

The Chair then asked if there was any other old or new business for the Members' consideration.

There was none.

There being no other business to consider, the meeting adjourned at 2:52 p.m.

A true record.

Attest.

Colin M. McNiece
Secretary

Materials:

- Fiscal Year 2025 Budget Presentation
- Board Package, June 11, 2024

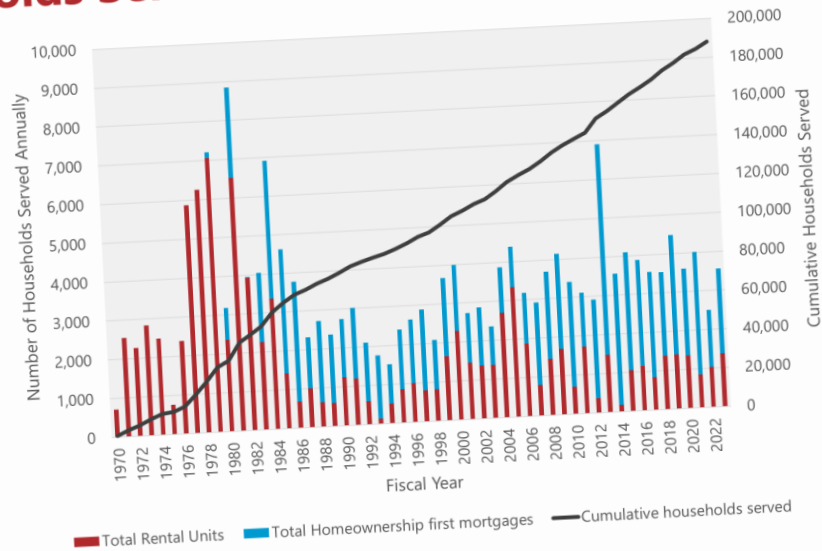
CEO's Report

July 9, 2024

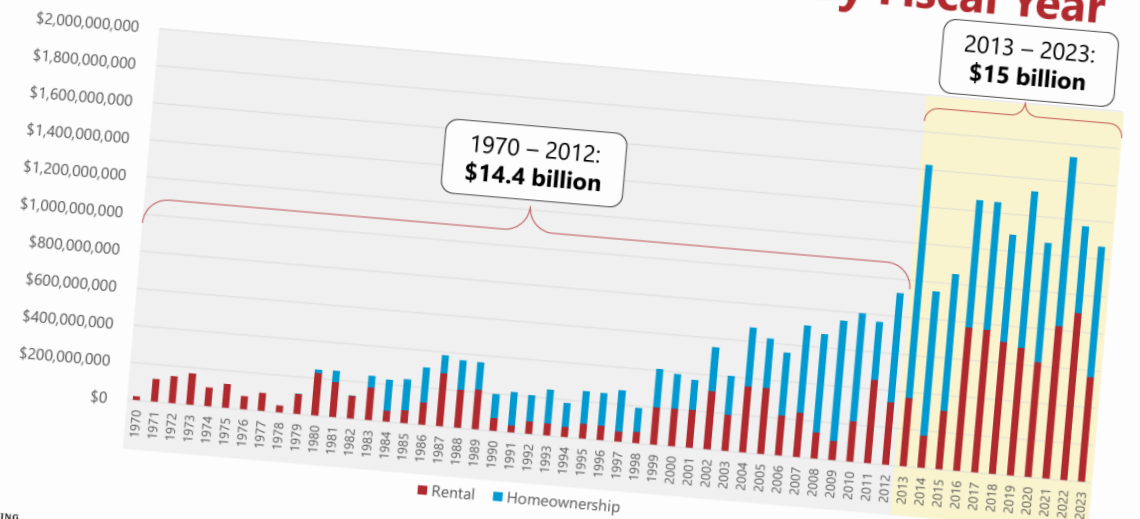
Announcing the creation of a Chief Legal and Operating Officer (CLOO) position at MassHousing.

We've grown a lot.

Households Served

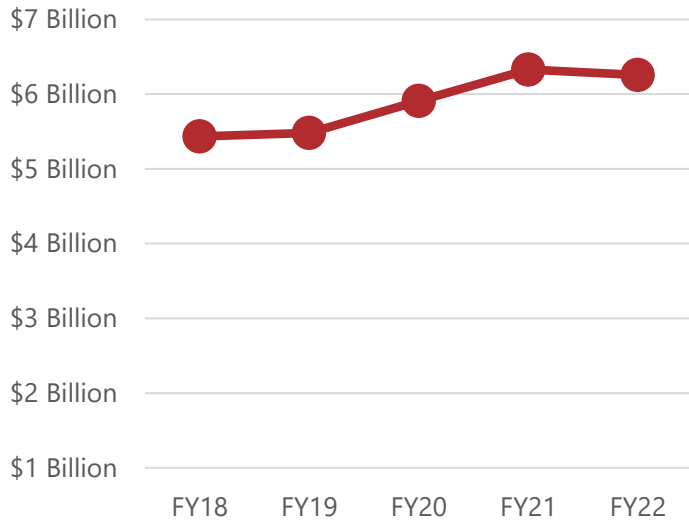


MassHousing Combined Production By Fiscal Year



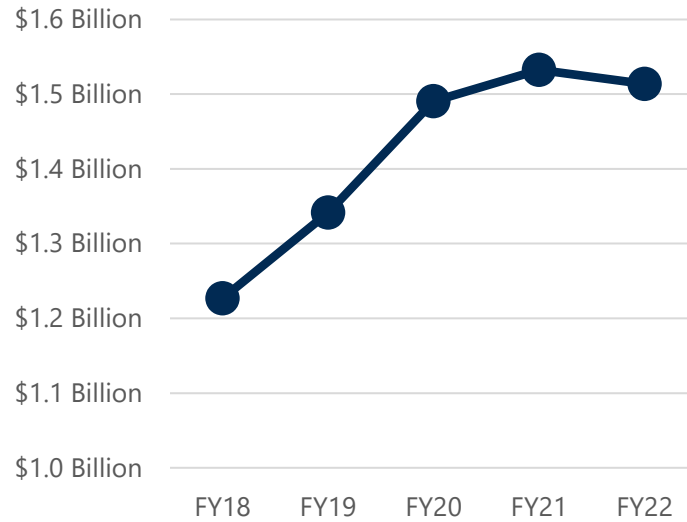
Balance Sheet Growth

Total Assets



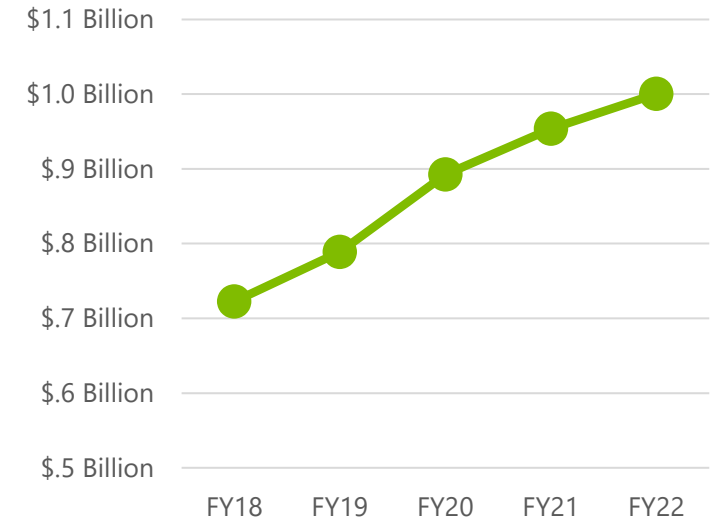
+15% Total Assets

Net Position



+23% Net Position

Working Capital Fund Net Position



+38% WCF Net Position

Best Practices for Growing Organizations

- Growing organizations face a **tension between investing in systems / processes to maintain current work and investing in new initiatives** that will enable further growth, yet **both are important**.
- For successful growth, organizations should invest in:
 - **People and Roles**: Optimize for missing skillsets based on growth aspirations and current gaps.
 - **Systems**: Build out 'operational infrastructure' (e.g., payroll, accounting, HR, IT, onboarding) to support the organization as it grows.
- As changes are made to organizational and staffing structures, it is important to **develop a communication process to inform staff about decisions and changes**

Goals for Executive Restructure

The Executive Restructure should achieve the following:

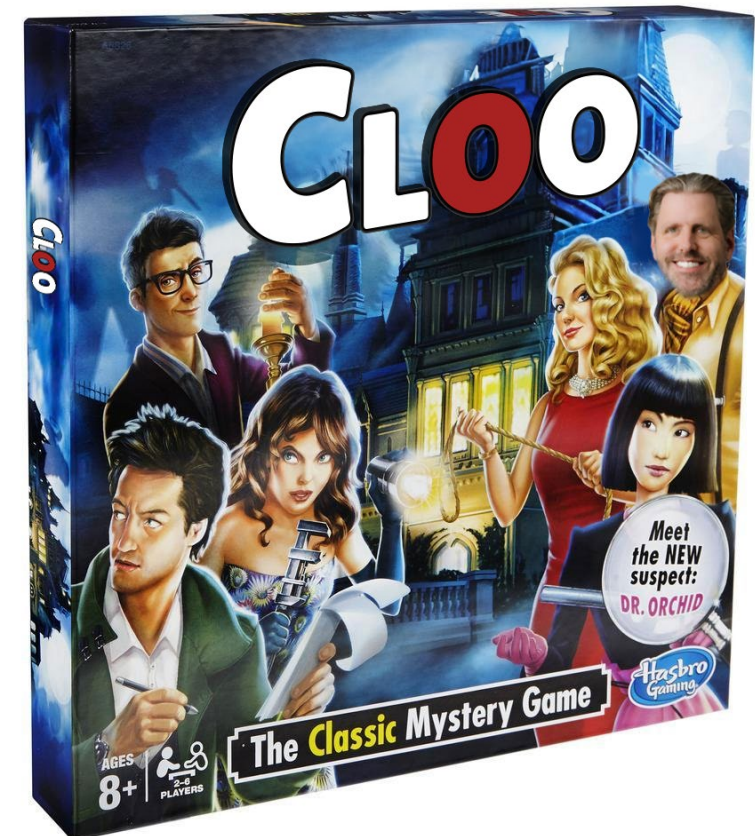
- ❑ CEO has a **working knowledge** of agency activities to **inform strategic decision-making**.
- ❑ A clearly defined **executive role** to lead **organizational operations**
 - ❑ Operationalizing cross-functional activities
 - ❑ Integrating new programs
 - ❑ Identifying efficiencies in existing programs.
- ❑ **Functional leaders** know where to go to get the support they need at the cadence they need it.
- ❑ **Executive team** serves as thought partners to CEO and positioned as thought leaders externally

We “got a CLOO” on July 1st

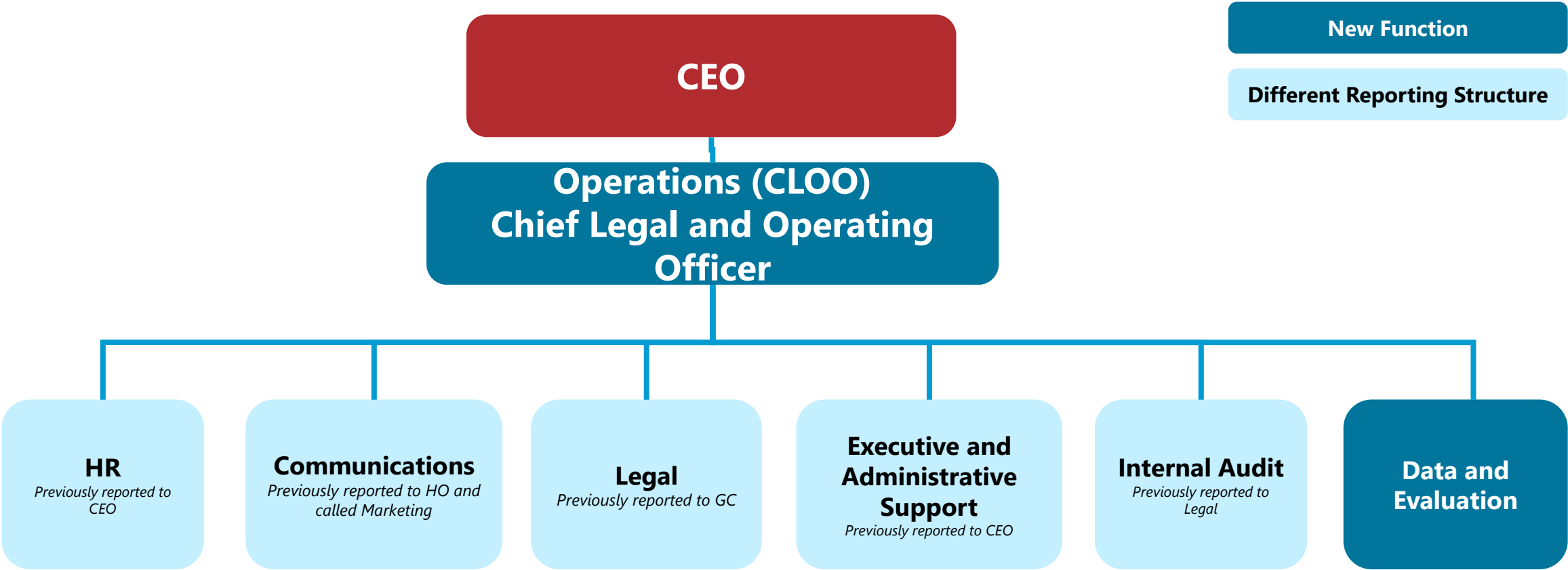
The **Chief Legal and Operating Officer (CLOO)** will collaborate to **develop and maintain operational excellence** while **integrating legal, operational, and data-driven decision-making** to support the Agency's strategic objectives.

Responsibilities include:

- Ensuring legal compliance and operational efficiency.
- Managing strategic planning efforts to pursue Agency goals.
- Establishing internal and external processes.
- Tracking key performance indicators.
- Managing Agency data and retention policies.
- Defining operational procedures to support mission efficiently.
- Collaborating with the CEO and Executive Team to align operational initiatives with overall business objectives.
- Coordinating with the Chief of Staff on day-to-day operational matters and strategy implementation.



Updated Reporting Structure



Questions?
Comments?

Thank You!



A RESOLUTION OF THE MASSACHUSETTS HOUSING FINANCE AGENCY ADOPTING RESOLUTIONS RELATED TO THE ISSUANCE AND SALE OF NOT EXCEEDING \$100,000,000 AGGREGATE PRINCIPAL AMOUNT OF BONDS AND/OR NOTES OUTSTANDING AND AUTHORIZING OFFICERS OF MASSHOUSING TO APPROVE CHANGES THERETO AND AUTHORIZING THE NEGOTIATION AND APPROVAL OF CERTAIN OTHER DOCUMENTS IN CONNECTION THEREWITH

WHEREAS, the Massachusetts Housing Finance Agency (“MassHousing”) has previously adopted various general bond and note resolutions, including its Housing Bond Resolution (the “General Resolution”), authorizing the issuance of bonds and/or notes for the purposes of financing or refinancing rental development mortgage loans, refunding other obligations of MassHousing and establishing reserves therefor, and one or more series resolutions authorizing the issuance of one or more series of bonds and/or notes; and

WHEREAS, a majority of the bonds and notes issued and to be issued by MassHousing to finance rental development mortgage loans are tax-exempt private activity bonds requiring an allocation of scarce volume cap; in certain circumstances when bond-financed rental development mortgage loans are repaid, MassHousing may be able to ‘recycle’ the associated volume cap and use it to issue new tax-exempt private activity bonds to provide low-cost financing for additional rental development mortgage loans; and MassHousing desires to establish a short-term borrowing facility to facilitate such volume cap recycling;

WHEREAS, MassHousing has received a preliminary proposal from U.S. Bank, National Association (including any affiliated entities) (“USBank”), to purchase bonds and/or notes on a revolving basis in an amount not to exceed \$100,000,000 outstanding at any time (the “Proposal”);

WHEREAS, MassHousing desires to authorize the sale of bonds and/or notes to be outstanding at any time in an amount not exceeding \$100,000,000 in aggregate principal amount (the “Obligations”), adopt such resolutions and authorize one or more revolving purchase agreements and such other agreements as may be necessary to effectuate the foregoing purposes and to provide for the modification of such resolutions to the extent necessary; now, therefore, be it

RESOLVED, by the Members of MassHousing as follows:

Section 1. The Obligations shall be sold to USBank, on a revolving basis, in accordance with the terms of the General Resolution and in conformity with the Proposal, with such changes, interest rates, redemption provisions and maturity schedules as shall be approved by the Chair, the Chief Executive Officer or other Authorized Officer, and the same are authorized to execute and deliver one or more purchase agreements in connection therewith (each, a “Purchase Agreement”), in substantially the form previously used by MassHousing with such changes, not inconsistent with this Resolution, as shall be approved by the Chair, the Chief Executive Officer or other Authorized Officer. MassHousing hereby adopts one or more Series Resolutions (each, a “Series Resolution”), authorizing the issuance of bonds and/or notes under the General Resolution in an aggregate principal amount not to exceed \$100,000,000 outstanding at any time. Each Series Resolution shall be in substantially the form previously used by MassHousing, with precise terms to be determined by any Authorized Officer, and with such changes, not inconsistent with this

Resolution, as shall be deemed necessary or desirable in accordance with Section 6 of this Resolution.

Section 2. Each Series Resolution shall provide that the Obligations to be issued thereunder shall be secured in accordance with the General Resolution, and shall be payable from the funds and accounts described in such Series Resolution, which may include the Revenues and funds and accounts established by the General Resolution. MassHousing's obligations under the Obligations or any Related Agreement deemed necessary in accordance with Section 5 of this Resolution may also be secured by MassHousing's general obligation.

Section 3. The Obligations shall be delivered and sold in accordance with a Purchase Agreement, with such changes, interest rates, redemption provisions and maturity schedules as shall be approved by any Authorized Officer, and the same is authorized to execute and deliver the final forms of Purchase Agreement. The Obligations (i) may be sold on a tax-exempt basis, provided they do not bear interest at rates and are not sold at prices such that the yield on the Obligations exceeds 8%, (ii) may be sold on a taxable basis under federal tax law, provided they do not bear interest at rates and are not sold at prices such that the yield on the Obligations exceeds 11% and (iii) may bear interest at one or more variable rates determined in accordance with the provisions of the applicable Series Resolution. The Obligations may be sold at a purchase price which reflects an aggregate underwriting fee or discount of not more than 2% of the principal amount of the Obligations issued.

Section 4. In connection with the issuance of the Obligations, MassHousing may enter into, and may thereafter amend, replace or terminate, one or more interest rate swap agreements or other hedging agreements consistent with MassHousing's debt and derivative policies. The pricing and fixed rate under such swap or hedging agreements shall not exceed a nominal yield of 10%. The form of the interest rate swap agreement or other hedging agreement shall be approved by any Authorized Officer, and the same is authorized to execute and deliver such agreements.

Section 5. In connection with the issuance of any Obligations, MassHousing may enter into, and may thereafter amend, replace or terminate, one or more remarketing agreements, standby bond purchase agreements, other credit enhancement or liquidity agreements with respect to the Obligations ("Related Agreements"). The form of such Related Agreements shall be approved by an Authorized Officer, and the same are authorized to execute and deliver such agreements.

Section 6. The Chair, Chief Executive Officer, or Financial Director are each hereby authorized, acting singly, to approve and execute such changes, additions and revisions to the Series Resolutions, including Series Resolutions with respect to bonds and/or notes previously issued under the General Resolution, and the documents and agreements referred to herein and therein as are necessary or desirable to effectuate the purposes thereof.

Section 7. MassHousing authorizes any Authorized Officer to submit the proposed terms of any transaction authorized above to the State Finance and Governance Board as may be necessary for its review in accordance with Section 98 of Chapter 6 of the General Laws, as amended, and the regulations promulgated thereunder.

Section 8. As used in this Resolution, the term Authorized Officer shall mean MassHousing's Chair, Chief Executive Officer, Chief Legal and Operating Officer, Chief Financial & Administrative Officer, Financial Director, Comptroller, Director (or Senior Director) of Finance and Bond Compliance, and any officer or employee of MassHousing acting in such capacity, or any other Authorized Officer of MassHousing as defined in the General Resolutions.

Section 9. This resolution shall take effect immediately.

Submitted: July 9, 2024

517407956v.2



55 Broadway
Suite 2608
New York, New York 10006
TELEPHONE (212) 431-5800
FAX (212) 431-6520

C F X I N C O R P O R A T E D

MEMORANDUM

Date: June 18, 2024
To: Rachel Madden, Chief Financial & Administrative Officer, MassHousing
From: Benjamin Madorsky, President, cfX Incorporated
Re: Volume Cap Recycling Line of Credit from USBank
For Submission to State Finance and Governance Board

I. Proposed Action

At the request of MassHousing, cfX Incorporated has reviewed the proposed revolving line of credit offered by U.S. Bank, National Association (“USBank”) to facilitate recycling of multi-family volume cap.

II. Purpose and Features of the Proposal

Purpose. The purpose of the line of credit is to allow MassHousing to preserve private activity volume cap from multi-family projects whose loans have repaid, so that this cap can be later re-used for future multi-family projects. Borrowings under the line of credit are simply and solely designed to enable MassHousing to temporarily hold onto and then re-use private activity volume cap.

Proposal. Under the proposal, MassHousing would enter into an 18-month revolving line of credit of up to a maximum amount of \$100 million with USBank. (The line of credit can be extended by mutual agreement). The line of credit functions as follows for MassHousing:

1. Receive a repayment from a project financed with multi-family bonds or notes (“Project A”);
2. Refund the bonds or notes that financed Project A by borrowing under this new short-term revolving line of credit, rather than by using the cash from the repayment;
3. Retain the cash from Project A’s repayment as security for a borrowing under the line of credit;
4. Within six months: finance a new project (“Project B”) using the cash from Project A’s repayment, and concurrently repay the borrowing under the line of credit with bond proceeds from a new financing through a refunding (which does not require new volume cap).



This proposal helps MassHousing comply with a specific and narrow exemption under Federal tax law that allows such recycling. The recycled volume cap comes with certain restrictions. Specifically, it cannot be used to meet the minimum amount of tax-exempt bonds needed for a project to qualify for federal 4% low income housing tax credits. It does, however, allow MassHousing to finance additional loans on a tax-exempt basis, thus saving costs for borrowers of affordable housing projects.

Security. Drawings under the line of credit are secured by cash from repayments of prior loans. The cash is deposited in a segregated pledged account. MassHousing earns the interest on such funds and pays the interest rate on borrowings from the line of credit. The line of credit is structured as bond anticipation notes issued under the Housing Bond Resolution which resolution is rated “Aa2” by Moody’s and “AA+” by S&P.

No Additional Risk. The proposal allows MassHousing to borrow under the line of credit when desired. MassHousing can pay down or decrease the commitment size of the line of credit at any time. The interest rate is variable, established at the SIFMA Index Rate plus 0.34% based on MassHousing’s current credit ratings. There is a fee of 0.20% for the undrawn amount of the facility.

Since the line of credit is secured by the deposit, the only exposure for MassHousing is any basis risk on the funds due to differential interest rate changes on the borrowings versus on investment earnings. However, both the line of credit and its deposits are short-term instruments. If the SIFMA Index Rate increases significantly, the interest that MassHousing will earn on its funds deposited to secure the facility is also likely to increase.

Alternatives. In order to preserve such volume cap, MassHousing has to be able to borrow funds on a flexible, short-term basis. It is to MassHousing’s interest that such borrowing be on a variable rate basis in order to match its ability to earn interest on the funds deposited to secure such a facility.

III. Summary of Findings

1. **Bond Ratings.** This line of credit will be directly secured by cash from repayments. It should not adversely affect ratings of the Housing Bond Resolution.
2. **Fees and Costs.** There are three types of costs:
 - a) Upfront legal costs. Fees for USBank’s counsel are capped at \$50,000.
 - b) Undrawn fee equal to 0.20% of the unutilized amount of the facility, or \$200,000 per year if the \$100,000,000 million facility is not utilized.
 - c) The interest rate on borrowings is SIFMA Index (the industry standard tax-exempt short-term rate) plus a margin of 0.34% per annum.



The total costs are reasonable for this type of facility and comparable to those paid by MassHousing on prior such facilities.

3. **Flexibility.** The line of credit is highly flexible. It allows MassHousing to make draws under the line of credit in conjunction with loan repayments, or to reduce the size of the line of credit, in either case in a minimum amount of at least \$500,000 on three days' notice. Repayments (such as when the volume cap will be used for a new project) can be made at any time.
4. **Variable Rate Exposure.** Because both the borrowing rate and the earnings rate on investment of funds are short-term instruments, they are very likely to move in the same direction if general market interest rates were to change. For example, if short-term rates were to increase significantly, MassHousing would pay a higher interest rate on the line of credit but would also earn more on the funds held on deposit for the line of credit. It is thus naturally hedged, although the change in SIMFA Index-based interest rate on the borrowings may not be the same as the interest earned on the investments (basis risk).

IV. Conclusions

Following are key conclusions and our recommendation.

- a. **Effects.** This facility would provide a simple, flexible mechanism for MassHousing to preserve valuable volume cap to provide additional loans to multi-family affordable housing projects on a tax-exempt basis.
- b. **Core Mission.** Financing new projects is a core part of MassHousing's mission of providing multi-family lending for affordable housing in the Commonwealth. Recycling of tax-exempt volume cap helps reduce the borrowing costs for a greater number of projects, which is beneficial both for MassHousing and for its borrowers.
- c. **Transaction Would Not Otherwise Occur.** Private activity volume cap used for multi-family lending would not be preserved to be re-used without a short-term borrowing facility such as the one proposed.
- d. **Limited and Moderate Risk.** It is unlikely but possible that there will some basis risk on borrowed funds, but MassHousing may also repay or reduce the size of the commitment whenever it wishes.

Recognizing that final terms may change, we recommend that:

- a. **Action.** MassHousing proceed to enter into the proposed revolving line of credit with USBank.



cfX Incorporated is an independent Municipal Advisor registered with the SEC and MSRB. cfX advises and provides technology to state Housing Finance Agencies across the nation. cfX has provided both services to MassHousing to assist in furthering its mission goals since 2004.

Multifamily Volume Cap Recycling

Line of Credit

July 9, 2024

Volume Cap Recycling Line of Credit

- Requesting approval to enter into a Multifamily Volume Cap Recycling Line of Credit Facility
- Procured proposed line of credit through formal RFP process
- U.S. Bank provided the most advantageous bid for a \$100 million, 18-month line of credit

Volume Cap Recycling Line of Credit

- Multifamily volume cap recycling authorized by the Housing and Economic Recovery Act of 2008
- Line of credit facility provides the mechanism to preserve private activity volume cap from multifamily projects financed with tax-exempt bonds whose loans prepay and are eligible for re-use for future multifamily projects, increasing access to tax-exempt financing to more borrowers
- Provides for the reuse of private activity bond capacity for another eligible project without using additional new volume cap when certain conditions are met, including:
 - Prepayments must be used on new loan within 6 months of receipt
 - Refunding must occur within 4 years of original issuance date
 - Maximum maturity date on Recycled Cap Bonds may not exceed 34 years from original issuance date
 - Recycled Cap bonds cannot be used to meet 50% tax-exempt bond financing requirement to qualify for LIHTC tax credits

Volume Cap Recycling Line of Credit

- From 2016 – 2020, MassHousing carried a Volume Cap Recycling Line of Credit; facility allowed to lapse in 2020 due to lack of utilization
- Only two deals lined up with program requirements in four years:
 - Portfolio deal applied recycled cap to lower cost of funds and provide tax-exempt instead of taxable financing
 - Standalone taxable 40B deal provided deeper affordability than an 80/20 deal
- Why are we seeking to do this again?

Volume Cap Recycling Line of Credit

- Since 2020, the composition of deals has shifted with many more deals needing short-term or bridge financing that come due sooner than permanent loans
- Line of credit provides ability to capture prepayments and be prepared to:
 - Identify deals in the pipeline where recycled volume cap might be used
 - Be ready if a borrower is eligible for use of recycled volume cap
- Under current law, a minimum of 50% of the aggregate basis of a project must be financed with tax-exempt bonds to qualify for 4% LIHTC tax credits
- Congress has considered a bill to lower the threshold to 30% - this would allow significantly more deals to become eligible for volume cap recycling and free up volume cap capacity for more projects – but the bill hasn't passed yet

Volume Cap Recycling Line of Credit

- Successful management of the facility requires close monitoring of the pipeline and prepayments
- At the end of the 18-month commitment, if it is not being utilized, we will revisit whether or not to extend
- Since borrowings under the line of credit would be variable rate, we have included a detailed memo from our Financial Advisor, cfX, who helped conduct the process
- These materials and Board approval will be submitted to State Finance Governance Board for their review as required

Volume Cap Recycling Line of Credit

Thank You

I respectfully request your vote as laid out in the materials in your Board package

Loan Commitment Proposal | July 9, 2024

Eva White Apartments

1. General Project Information	
Project Name	Eva White Apartments
Project ID	20-113
Associated Projects	N/A
Address(es)	440 and 450 Tremont Street, Boston, MA 02116
Sponsor	WinnDevelopment Company Limited Partnership
Transaction Type	Preservation (4%)
Funding Type	Forward Commitment of Permanent Loan
Execution Type	Portfolio (TE)
Credit Enhancement	HUD/FHA Risk-Sharing with 50% credit risk
Approval Type	Board
Total Rental Units	102
Affordability Mix	102 Affordable

2. Recommended Actions

- Official Action Status
- Commitment of Permanent Tax-Exempt Loan
- Commitment of Tax-Exempt Bridge Loan
- Approval for the Use of Low-Income Housing Tax Credits

The proposed financing will support the acquisition and occupied rehabilitation of Eva White Apartments (the “Development”), a deeply subsidized, fully affordable Boston Housing Authority (“BHA”) property in the South End, designated to serve elderly and disabled households. The proposed financing includes a Rental Assistance Demonstration (“RAD”) Conversion for 20% of the public housing units and a Section 18 Disposition for 80% of the public housing units. The RAD Section 8 contract rents are based on public housing funding levels, while the Section 18 rents are project-based and set at Small Area Fair Market Rents (‘SAFMR’). The higher Section 18 Blended rents leverage more permanent debt and will help fund a much-needed rehabilitation, including a Deep Energy Retrofit which will convert the Development to 100% electric. The transaction will bring the Development into the MassHousing portfolio.

3. MassHousing Financing	
First Loan	
Type	Tax-Exempt Permanent Loan
Loan Amount	Up to \$22,465,000
Interest Rate	30-Year MMD plus 240 basis points (bps) to be locked at Permanent Loan Closing (processing rate of 6.55% assumed for underwriting)
Loan Term / Amortization	40 y / 40 y
Term of Fwd Commitment	24 mo
Year 1 DSCR	1.10 projected (1.10 minimum)
LTV	90% (90% maximum)
Equity Bridge Loan	
Type	Tax-Exempt Equity Bridge Loan
Loan Amount	\$11,675,000
Interest Rate	SOFR plus 210 bps to be locked at Construction Loan Closing (processing rate of 7.41% assumed for underwriting)
Loan Term/Amortization	6 mo / interest only

4. Development Plan

Description of Site. The Development is located on a 76,408 square-foot site at 440 and 450 Tremont Street in Boston’s South End. The transit-oriented Development is in close proximity to shopping, dining, recreational amenities, and within walking distance (0.5 miles) to the Back Bay MBTA station. The Development is surrounded by Castle Square Apartments, which is a 500-unit, MassHousing-financed affordable housing development, also owned by the Sponsors.

Description of Existing or Proposed Building. Built in 1966, the Development includes two identical, seven-story elevatored buildings that are connected via an exterior walkway. Rehabilitation includes a complete Deep Energy Retrofit. This work will overhaul MEP systems and HVAC distribution for residents and will convert the Development to 100% electric. The Development is anticipated to achieve an estimated 49% (440 Tremont) and 67% (450 Tremont) energy savings at the two buildings. Exterior work includes insulating the building envelopes, and roof and window replacements, while in-unit work includes renovated kitchens, baths, and ADA upgrades.

The Development will include a mix of studios, one-bedroom, and two-bedroom units. All utilities are included in the household rent.

Description of Affordability Mix. All 102 units will be subject to income restrictions with set-asides ranging from 30% of Area Median Income (“AMI”) to 60% of AMI. All units will benefit from two project-based Section 8 housing assistance payment (“HAP”) contracts, one contract for 21 units will have a RAD payment standard, while the second contract for 81 units will have the payment standard set at SAFMR.

Site Control. The BHA has provided a Letter of Designation to the Developer under a public land disposition process, designating WinnDevelopment Company Limited Partnership and Castle Square Tenants’ Organization, Inc. as the developers for the Development. At construction closing, the borrower entity will enter a 99-year ground lease with the BHA and acquire the Development.

5. Borrower Team

Mortgagor Entity: Eva White Redevelopment Limited Partnership (the “Borrower”)

Or another sole-asset, single-purpose entity formed for the purpose of rehabilitating and owning the Development.

Developer / Sponsor: WinnDevelopment Company Limited Partnership

WinnDevelopment Company Limited Partnership (“WinnDevelopment”) is a Massachusetts limited partnership, the sole general partner of which is WDP Manager Corp., a Massachusetts corporation controlled by WinnCompanies. Founded in 1971 and comprised of a staff of 3,000, WinnCompanies is an owner, developer and manager of multifamily communities and mixed-income properties, owning more than 100 properties in 11 states, including 15,600 apartments. The company’s development practice focuses on large-scale mixed-use and mixed-income multifamily properties, the acquisition and repositioning of properties, and the acquisition and adaptive reuse of historic structures.

The Agency’s most recent experience with WinnDevelopment was on Elm Place 4% and 9%, and The Pointe at Hills Farm 4% and 9% in 2023.

Co-Developer / Co-Sponsor: Castle Square Tenant Organization, Inc. (“CSTO”)

Castle Square Tenant Organization, Inc. (“CSTO”) is a nonprofit corporation devoted to the mission of promoting the economic, educational, and social empowerment of low- and moderate-income individuals. Founded in 1987, the organization seeks to provide access to safe, quality affordable housing and direct supportive service programs.

WinnDevelopment and CSTO will be co-developers and have an ownership interest in the Development throughout the Development’s lifecycle. CSTO will have an active role in the oversight of operations and the services offered at the Development. WinnDevelopment will

provide financial support, including being the Guarantor for the Development. Both will be involved through construction. CSTO and WinnDevelopment have had extensive experience working together for over three decades, most notably collaborating on the redevelopment of Castle Square Apartments, a 500-unit affordable housing development located adjacent to the Development.

General Partner / Managing Member: Eva White GP LLC

The General Partner is jointly controlled by CSTO and WinnDevelopment.

Construction Lender: Bank of America, N.A.

Bank of America, N.A. is one of the world's leading financial institutions, serving individual consumers, small and middle-market businesses, and large corporations with a full range of banking, investing, asset management and other financial and risk management products and services.

Bank of America is also one of the largest lenders and investors in affordable, multifamily housing in the United States. Bank of America has financed over 200,000 affordable housing units in projects serving individuals, families, and seniors.

The Agency's most recent experience with Bank of America N.A. was on 41 LaGrange Street 4% and 9% in 2024, and Elm Place 4% and 9%, and The Pointe at Hills Farm 4% and 9% in 2023.

Syndicator / Investor: Bank of America, N.A.

Management Company: Winn Managed Properties LLC (d/b/a Winn Residential)

WinnDevelopment's property management firm is the fifth-largest multifamily property manager in the country and the largest manager of affordable housing. The organization manages more than 100,000 units in 580 properties throughout the United States.

WinnResidential manages a total of 82 properties with over 9,900 units in MassHousing's portfolio.

The Agency's most recent experience with WinnDevelopment was on Elm Place 4% and 9%, and The Pointe at Hills Farm 4% and 9% in 2023.

Architect: Reisen Design Associates

Reisen Design Associates ("RDA") is an architecture and landscape architecture firm established in 1989. The firm has designed and managed affordable housing projects with budgets up to \$30 million and with over 500 units of housing in the City of Boston and beyond. Their work has

included creating new spaces from old buildings with extensive experience in renovation and adaptive reuse practices.

This is RDA’s first transaction with the Agency. MassHousing’s Design & Technical team have reviewed RDA’s qualifications and found them to be acceptable.

General Contractor: Keith Construction, Inc.

Keith Construction, Inc. is a general contractor and construction manager specializing in multifamily residential construction for clients throughout the Northeast and Mid-Atlantic United States. For over three decades, the corporation has gained extensive experience in residential rehabilitation, adaptive reuse, historic renovations, and new construction.

The Agency’s most recent experience with Keith Construction, Inc. was on Appleton Mill and The Aurora in 2023.

6. Summary of MassHousing-Sponsor Relationship	
Number of Projects with MassHousing Debt	32*
Total Units with MassHousing Debt	4,796
Outstanding MassHousing Principal Debt	\$667,558,495
Adverse Actions Against the Borrower Team	No
Current on Obligations with MassHousing	Yes
Property Management Affiliate	Yes, Winn Managed Properties, LLC manages properties in the Sponsor’s portfolio and offers management services outside the portfolio

**Reflects Agency’s relationship with WinnCompanies. This will be the Agency’s second transaction with CSTO (Castle Square Apartments is the other).*

MassHousing Staff	
Origination	Michael Carthas, Originator Jack Griffin, Senior Analyst
Underwriting	Doug O’Brien, Underwriter
Asset Management	Mirna Bynoe, Asset Manager Lee-Anne Brooks, Portfolio Manager

7. Unit Mix

Unit Size	Total Units	LIHTC Eligible												Market Comparison <i>Rent</i>		
		RAD PB - Section 8 30% AMI		Section 18 PB - Section 8 30% AMI		RAD PB - Section 8 50% AMI		Section 18 PB - Section 8 50% AMI		Section 18 PB - Section 8 60% AMI		Section 18 PB - Section 8 80% AMI*				
		<i>Count</i>	<i>Rent</i>	<i>Count</i>	<i>Rent</i>	<i>Count</i>	<i>Rent</i>	<i>Count</i>	<i>Rent</i>	<i>Count</i>	<i>Rent</i>	<i>Count</i>	<i>Rent</i>			
0 BR	34	10	\$968			7	\$968	3	\$2,400	14	\$2,400					\$2,400
1 BR	57	4	\$1,100	11	\$2,900			20	\$2,900	20	\$2,900	2	\$2,900			\$2,900
2 BR	11			1	\$3,450			6	\$3,450	4	\$3,450					\$3,450
Total	102	14		12		7		29		38		2				

**Existing residents at the Development include two households that are over-income for qualifying as LIHTC units. While these households don't qualify for the Development's tax credit basis calculation, they do qualify for Section 8 PBVs under RAD rules.*

Project-Based Rental Subsidy	
Type	RAD
Term	20 y
Administrator	Boston Housing Authority
Lesser of Market or Contract	

Project-Based Rental Subsidy	
Type	Section 18
Term	20 y
Administrator	Boston Housing Authority
Lesser of Market or Contract	

8. Operating Overview

Underwritten Operating Expenses	\$1,446,736 (approximately \$14,200 per unit)
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Basis of Operating Costs. Borrower-proposed budget and historical development operations.

9. Project Costs

Core Residential Costs	
Base	\$44,111,518
Extraordinary	\$17,320,201
Total	\$61,431,718
Commercial, Site and Other Non-Residential Costs	
Commercial Costs	\$0
Site and Other Non-residential Costs	\$531,492
Total	\$531,492
Total Development Cost	
Total	\$61,963,210

Project Construction Costs	
Total Construction Cost	\$35,778,950
Construction per Square Foot	\$468

Background on Extraordinary Residential Costs. Extraordinary residential costs are related to significant Deep Energy Retrofit materials encompassing the building skin, metal panels, and building systems.

Background on Site and Other Non-Residential Costs. Site and Non-Residential costs include costs related to demolition and environmental remediation.

10. Sources and Uses

Sources of Funds	Total
MH Permanent Loan	\$19,000,000
LIHTC	\$25,795,000
BHA Seller Note	\$5,300,000
EOHLC AHT	\$2,000,000
EOHLC HSF	\$2,250,000
EOHLC HIF	\$1,000,000
EOHLC HOME	\$550,000
CSTO Loan	\$2,500,000
MassSave	\$1,560,000
Developer Fee	\$1,068,587
FHLB AHP Loan	\$650,000
NOI During Construction	\$259,623
Total Sources	\$61,963,210

LIHTC Pricing	
Federal LIHTC	\$0.99

Core Residential Uses of Funds	Total	
		<i>Per Unit</i>
Acquisition	\$6,000,000	\$58,824
Construction	\$35,310,883	\$346,185
Construction Contingency	\$3,531,088	\$34,619
General Development	\$10,917,552	\$107,035
Capitalized Reserves	\$1,788,813	\$17,537
Overhead	\$991,691	\$9,722
Fee	\$2,891,691	\$28,350
Total Residential Uses	\$61,431,718	\$602,272

Base Costs		Extraordinary Costs	
	<i>Per Unit</i>		<i>Per Unit</i>
\$6,000,000	\$58,824		\$0
\$22,735,144	\$222,894	\$12,575,739	\$123,292
\$2,226,708	\$21,830	\$1,304,381	\$12,788
\$9,497,586	\$93,114	\$1,419,966	\$13,921
\$1,151,739	\$11,292	\$637,074	\$6,246
\$638,507	\$6,260	\$353,184	\$3,463
\$1,861,834	\$18,253	\$1,029,857	\$10,097
\$44,111,518	\$432,466	\$17,320,201	\$169,806

Site and Other Nonresidential Uses*	\$531,492
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Total Uses	\$61,963,210
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*Includes applicable hard costs, contingency, soft costs, overhead and fee.

11. First Year Income and Expenses

Income		
Rental Income – Project-Based Rental Subsidy		\$2,946,240
Gross Potential Residential Income		\$2,946,240
Vacancy – Project-Based Rental Subsidy	2.5%	(\$58,925)
Gross Residential Income		\$2,887,315
Other Income		\$0
Effective Gross Income		\$2,887,315

Expenses		
Residential Operating Expenses		\$1,462,736
Net Operating Income		\$1,440,579
Debt Service		(\$1,312,168)
Cash Flow		\$128,411

Debt Service Coverage 1.10

Residential Operating Expense Detail			<i>Per Unit</i>
Management Fee	5.0%	\$144,366	\$1,415
Administrative Costs		\$300,243	\$2,994
Maintenance Costs		\$107,958	\$1,058
Resident Services		\$135,000	\$1,324
Security		\$67,400	\$661
Utilities (water and sewer, hot water)		\$264,867	\$2,597
Replacement Reserves		\$51,000	\$500
Taxes		\$204,000	\$2,000
Insurance		\$124,550	\$1,221
Mortgage Insurance Premium		\$47,500	\$466
Total		\$1,446,736	\$14,184

Operating Expenses as a Percent of EGI 50.1%

12. Underwriting

- 1. Loan Sizing.** The Sources and Uses in this commitment proposal reflect a Projected Loan amount of \$19,000,000. The MassHousing Financing Summary in Section 3 above and the Votes below allow for an “Up To” Loan amount of \$22,465,000. The final loan amount will be set when the interest rate is locked at construction closing such that MassHousing’s debt service coverage ratio and loan to value benchmarks will be met. To the extent that the final loan amount is greater or less than \$19,000,000, MassHousing will confirm that other sources will be adjusted as necessary to maintain a balanced sources and uses.
- 2. Ground Lease.** The Borrower will enter into a 99-year ground lease with the BHA and acquire the Development for \$6,000,000. The Sponsor will make a \$700,000 upfront payment to the BHA at closing and the Borrower will enter into a seller note for the remaining \$5,300,000. Terms of the proposed lease with the BHA are subject to MassHousing’s review and approval.
- 3. Resident Services.** The operating budget includes \$135,000 (\$1,324/unit) in Resident Services. These are new enhanced services that include a part-time nurse, a full-time wellness resident service coordinator, and a part-time health benefits coordinator. These services will be provided on-site through a service contract with Boston Senior Home Care, Inc. (“BSHC”). BSHC will have a third-party agreement as Service Provider with the Borrower.
- 4. Section 18 Blend.** Section 18 allows for expanded eligibility for public housing projects to blend project-based voucher assistance through a RAD conversion with assistance from tenant protection vouchers. The program determines the percentage of units eligible based on the construction scope’s hard construction costs compared with HUD’s published Housing Construction Costs for the market. The Development meets the Section 18 Blend threshold guidelines and qualifies the project for a 20% traditional RAD (21 units) and 80% Section 18 blend (81 units). Section 18 Blend rents are based off SAFMR rents, which allows for a larger permanent loan and places less demand on other scarce resources. This will include two separate HAP contracts, each with a 20-year term. The contracts will be administered by the BHA, who has confirmed both the underwritten Section 18 Blend rents and the 20-year terms. The Section 18 Blend contract poses no additional risk to MassHousing.
- 5. Relocation.** Substantial rehabilitation of the Development will be phased with the building at 440 Tremont Street to be completed prior to the building at 450 Tremont Street. The Development team has hired Housing To Home (“HTH”), a national relocation firm with

extensive experience in affordable housing development in Massachusetts, including the City of Boston.

Two tiers of relocation will be offered: i) in-place relocation and ii) temporary onsite relocation. The majority of residents will experience in-place relocation where they will vacate their units during the day to Developer-provided day spaces on-site and return to their units in the evening. Work for these units should take approximately 3-5 days.

As part of the construction, six (6) units will be renovated to be fully compliant ADA units. The current residents of those units will be relocated to non-accessible units elsewhere in the Development during the 6–8-week renovation period and will ultimately return to the ADA units as they each require the accessible features. HTH will have an on-site Access Manager to work closely with residents and to provide guidance and support throughout the transition.

6. **Third-Party Reports.** The MassHousing third-party appraisal and capital needs study are underway. To the extent either reports change the underwritten rents and/or loan-to-value, the loan amount will be adjusted accordingly.

Underwriting Criteria and Loan Terms	Eva White	Underwriting Standards
1. DSCR	1.10	Minimum of 1.10
2. Term/Amortization	40 y / 40 y	30-40 y, fully-amortizing
3. Loan to Value	90%	Maximum of 90% based on third party "as-proposed" investment value
4. Underwriting Rents	PB – Rental Subsidy contract or market supported rents	<p>Lesser of:</p> <ul style="list-style-type: none"> • PB-Rental Subsidy contract or market supported rents • Programmatic rent cap or rents supported by MassHousing market review.
5. Vacancy Allowance	2.5%	<p>Minimum of:</p> <ul style="list-style-type: none"> • 2.5% for PB – Rental Subsidy • 3.0% for LIHTC • 5.0% for unrestricted or workforce housing
6. Affordability	40% at 60% of AMI	<p>Minimum of:</p> <ul style="list-style-type: none"> • 20% at 80% of AMI for MassHousing Statute • 40% at 60% or 20% at 50% of AMI for loans with FHA Insurance, HUD/FFB, Tax-Exempt Bond, and/or Federal LIHTC
7. Annual Deposits to Replacement Reserves	\$500 unit / year	<p>Minimum of:</p> <ul style="list-style-type: none"> • \$360 unit / year (new construction) • \$500 unit / year (rehab) <p>Note: Additional initial deposit to reserves may be required by the third-party CNA to fund twenty-year capital needs.</p>
8. Operating Expenses	Approximately \$14,200 unit / year	Typically, between \$11,000 and \$15,000 per unit.

13. Low-Income Housing Tax Credits

The Developer/Sponsor has included in its financing proposal a request for the use of 4% Low-Income Housing Tax Credits (the “4% Credits”). The 4% Credits may be utilized as a result of the funding of the Loan with tax-exempt bonds or notes of MassHousing which are to be issued under Section 142 of the Internal Revenue Code of 1986, as amended (the “Code”) and are subject to a volume capacity allocation under Section 146 of the Code.

Use of the 4% Credits must be approved by EOHLC as the “housing credit agency” under Section 42 of the Code which must make the determination required under Section 42(m)(1)(D) of the Code that the development and financing proposal meets the requirements of the Commonwealth’s Qualified Allocation Plan. In addition, MassHousing, as the issuer of tax-exempt obligations which generate the 4% Credits must determine under Section 42(m)(2)(D) of the Code that the amount of 4% Credits does not exceed the amount necessary for the financial feasibility and long-term viability of the development. Such determination shall be made applying the standards set forth in the proposed Board vote herein, as required by Section 42(m)(2)(B) of the Code.

Eva White Apartments
VOTES AND FINDINGS
PROPOSALS AND VOTES

Official Action Status

Staff has reviewed the development experience and creditworthiness of the mortgagor and sponsor and found them to be acceptable. Staff has also determined that the mortgagor, sponsor, or an affiliate under common control has demonstrated evidence of site control, that the proposed site is acceptable for the intended housing, and that there is a need for the proposed housing in the community where the site is located. Therefore, staff recommends the following votes for approval:

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 “Eva White Apartments” (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 that such loan (a) be funded with proceeds of tax-exempt debt issued in the future and (b) reimburse, in accordance with Treasury Regulations Section 1.150-2, up to \$42,675,000 of costs of the Development paid prior to the issuance of such debt or the making of such loan; provided that this vote does not require the Agency to make any expenditure, incur any indebtedness or proceed with the Development.

Official Action Status Findings

In accordance with the vote of the Members of MassHousing dated October 10, 2023, staff makes the following Official Action Status findings for the Development:

1. The mortgagor or sponsor has acceptable multifamily housing development experience and acceptable credit history.
2. The mortgagor, sponsor or an affiliate under common control has demonstrated evidence of site control, which may include a deed, a ground lease, a purchase option, a contract of sale, or designation under a public land disposition process.
3. The site is acceptable for the proposed housing.

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

Mortgage Loans

Staff has reviewed the proposal for (i) permanent financing and bridge financing and (ii) the use of Low-Income-Housing Tax Credits and proposes the following votes for approval:

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 \$22,465,000, such first loan to be insured under the HUD HFA Risk Sharing Program; and (b) a subordinate equity bridge mortgage loan in a principal amount of up to \$11,675,000, in each case to be made to Eva White Redevelopment Limited Partnership or another single-purpose entity controlled by WinnDevelopment Company Limited Partnership and Castle Square Tenants' Organization, Inc. (the "Borrower") as owner of the multifamily residential development known as "Eva White Apartments" (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

VOTED: That the amount of 4% Credits, as set by the Chief Executive Officer, the Chief Legal and Operating Officer, the Vice President of Multifamily Programs, the Senior Director of Capital Deployment, the Director (or Senior 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 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 Chief Executive Officer, the Chief Legal and Operating Officer, the Vice President of Multifamily Programs, the Senior Director of Capital Deployment, the Director (or Senior 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.

FURTHER VOTED: To authorize the Chief Executive Officer, the Chief Legal and Operating Officer 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 Chief Executive Officer, the Chief Legal and Operating Officer 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 their 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:

102 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 1,361 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 93.8%, and range between 92% and 100%. One of the comparables reviewed was offering a rental concession of 2 months free rent to prospective tenants.

CoStar data for the subject’s Roxbury/Dorchester submarket (8,360 units) has an overall vacancy rate at 12.4% YTD, which is an increase of 5.54% from one year ago. CoStar data for the Boston market (275,652 units) has an overall vacancy rate of 5.3% YTD, which is an increase of 0.34% from one year ago. The Roxbury/Dorchester Submarket vacancy rate is projected to decrease to 9.7% over the next five years, while the Boston market is projected to decrease to 5.1% over the same time period.

CoStar submarket data for the 4-5 Star building type (2,643 units) indicates 2nd Qtr. 2024 vacancy rate of 18.6% and an average asking rent of \$3,026, while submarket data for the subject’s 3 Star building type (3,122 units) indicates a 2nd Qtr. 2024 vacancy rate of 6.5% at an average asking rent of \$2,939 and 1-2 Star buildings (2,595 units) indicates a 2nd Qtr. 2024 vacancy rate of 13.2% at an average asking rent of \$2,125. 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 Executive Office of Housing and Livable Communities Chapter 40B Subsidized Housing Inventory (6/29/23), the City of Boston has 299,238 year-round housing units, 57,443 (19.2%) of which are subsidized for low/moderate income households.

BHA owns and operates 27 family and 36 elderly/disabled developments with a total of 12,501 units. The BHA also administers 14,574 units of Leased Housing, consisting of 12,216 Housing Choice Vouchers, 1,441 Project Based and 198 Moderate Rehab. In addition, the City of Boston's Annual Plan (FY2024) indicated that the BHA maintains the following wait lists: There are 7,724 households on the Leased Housing waiting list. This is broken down by families with children, families with disabilities and 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 28,703 applicants.

U.S. Census data from the 2017-2021 American Community Survey indicates that of the 271,250 households in the City of Boston approximately 77.2% earned less than the HUD published 2024 AMI (\$148,900), approximately 47.1% earned less than 50% of 2024 AMI, approximately 54% earned less than 60% of the 2024 AMI, and approximately 68.8 % earned less than 80% of the 2024 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 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.

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:

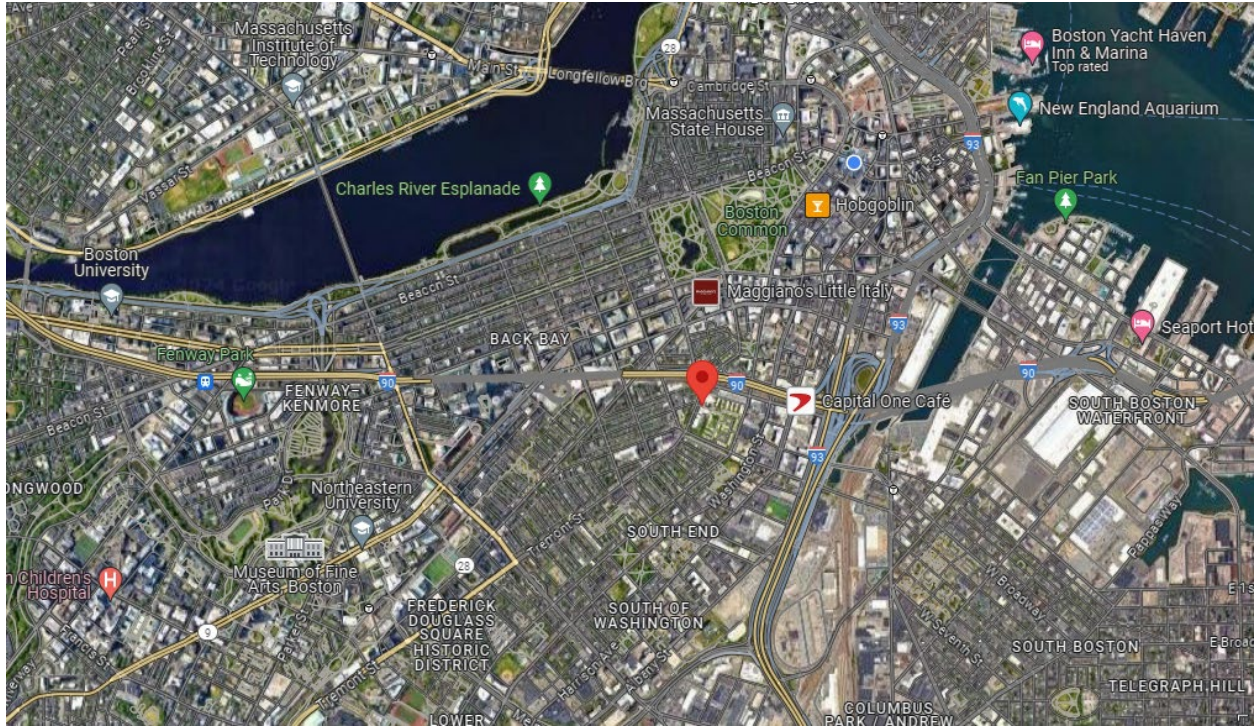
Pursuant to Section 6(a) of the Act, MassHousing makes the following rental determinations for units within the proposed Development:

Rent Schedule:

Number of Bedrooms	1	2	3
Number of Units			
Net SF/Unit	399	525	627
Elev./Non-Elev.	Elev.	Elev.	Elev.
Market Rate Rent (10% Rate 20 Yr. Term)	\$1,989	\$3,614	\$4,176
MHFA Below Market Rent (Cost-Based Rent)	\$1,263	\$2,888	\$3,450
MHFA Adjusted Rent	30% of 60% of AMI		
Underwriting Rents			
RAD 30% AMI	\$968	\$2,732	\$3,450
Section 18 Blend 30% AMI	\$1,558	\$2,900	\$3,450

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.

MAP AND PICTURES





Recommended Votes

- Official Action Status
- Commitment of a Tax-Exempt Permanent Loan
- Commitment of a Tax-Exempt Bridge Loan
- Approval for the Use of Low-Income Housing Tax Credits

Loan Commitment Proposal | July 9, 2024

Mary Ellen McCormack – Building A

1. General Project Information	
Project Name	Mary Ellen McCormack – Building A
Project ID	24-005
Associated Projects	N/A
Address(es)	17 Devine Way, South Boston, MA 02127
Sponsor	WinnDevelopment Company Limited Partnership
Transaction Type	Preservation & Production (4%)
Funding Type	Forward Commitment of Permanent Loan
Execution Type	Portfolio (TE)
Credit Enhancement	HUD/FHA Risk-Sharing with 50% credit risk
Approval Type	Board
Total Rental Units	94
Affordability Mix	94 Affordable

2. Recommended Actions

- Official Action Status
- Commitment for Permanent Tax-Exempt Loan
- Commitment of Tax-Exempt Bridge Loan
- Approval for the Use of Low-Income Housing Tax Credits

The proposed financing will support the new construction of Mary Ellen McCormack – Building A (the “Development”), a 94-unit, six-story, transit-oriented building in South Boston. The Development will be the first building constructed as part of the Mary Ellen McCormack Redevelopment (the “Redevelopment”), which consists of the two-phased redevelopment of the Boston Housing Authority (“BHA”)-owned Mary Ellen McCormack Housing Development (the “Existing Development”) into a mixed-use, mixed-income community.

The Existing Development, built in 1938, is one of the oldest and largest public housing developments in New England. The Existing Development consists of 1,016 deeply subsidized public housing apartments in eighteen (18) mid-rise buildings and sixteen (16) townhome buildings. Phase I of the Redevelopment will comprise eight (8) new buildings, the substantial renovation of the Boiler Building, and will include up to 1,478,000 square feet of residential, retail, community, above-grade parking garages, and open space uses. Phase I will have 1,310 total units (529 replacement affordable, and 781 newly created units, made up of 40 middle-income, and 741 market). Two buildings will be 100% replacement affordable units and six buildings will be mixed income. Phase II will have 1,990 units (487 replacement affordable and 1503 market) in nine (9) buildings.

The proposed financing of the Development will provide fully affordable replacement housing units for families and will bring the Development into the MassHousing portfolio.

3. MassHousing Financing	
First Loan	
Type	Tax-Exempt Permanent Loan
Loan Amount	Up to \$26,000,000 (currently anticipated at \$21,110,000)
Interest Rate	30-Year MMD plus 252 basis points (bps) to be locked at Construction Loan Closing (processing rate of 6.67% assumed for underwriting)
Loan Term / Amortization	40 y / 40 y
Term of Fwd Commitment	30 mo
Year 1 DSCR	1.21 projected (1.10 minimum)
LTV	TBD (90% maximum)
Equity Bridge Loan	
Type	Tax-Exempt Equity Bridge Loan
Loan Amount	Up to \$34,900,000 (currently anticipated at \$28,770,000)
Interest Rate	SOFR plus 222 bps to be locked at Construction Loan Closing (7.53% projected)
Loan Term/Amortization	12 mo / interest only

4. Development Plan

Description of Site. Phase I of the Redevelopment will be located on an approximately 784,080 square foot (approximately 18 acres) site comprising the northern portion of the 31-acre Existing Development. Phase I will include eight new buildings (A, B, C1, C2, D, E, F, G), and the substantial renovation of the Boiler Building.

Phase II of the Redevelopment will include the remaining approximately thirteen (13) acres. Phase II will include nine new buildings (H, I, J, K, L, M, N, Y, Z).

The Existing Development is adjacent to Moakley Park, which is an approximately 58-acre urban waterfront park featuring multiple sports fields, a playground, and a splash pad. The Existing Development is within walking distance (0.2 miles) to the MBTA’s Andrew Station Red Line.

Description of Existing or Proposed Building. The Development includes the demolition of two existing buildings, totaling 22 units. The first floor of the new construction, six-story elevated building will be steel frame, consisting of a resident lobby and mail room, leasing offices, a community room, a fitness center, bike storage, a large, landscaped courtyard, landlord utility and equipment rooms, and ten residential units. Floors two through six will be wood framed construction. Each floor will consist primarily of residential units, with common area

amenities that include a laundry room, media center, kids’ playroom, and a work-from-home suite.

Apartments will feature high-end finishes and amenities including in-unit washers and dryers, open concept kitchens with stainless-steel appliances and quartz counters, and bathrooms with stone vanities and fiberglass shower surrounds.

There is no onsite parking. The Development will be bounded on three sides with City of Boston public streets with parking designated for handicapped persons and South Boston Resident Sticker parking.

In conjunction with the construction of the Development, the existing Veterans Park Memorial will be relocated and integrated into a new, 8,800 square-foot park. The commemorative pavers, plaques, medallions, and sculptures will be salvaged and integrated into the new park, along with outdoor seating and a tot lot.

The Development is designed to be both Passive House and Energy Star Multifamily New Construction certified, and to meet and exceed EOHLA’s Emphasis on Green, Sustainable, and Climate Resilient Design and Enhanced Accessibility standards. The Development will utilize 100% electric systems for heating, cooling, and domestic hot water, with no use of fossil fuels except for a building and fire code required emergency diesel generator. A geothermal system with ground source heat pumps will be installed for heating and cooling.

The Development will offer 37 one-bedroom, 44 two-bedroom, 12 three-bedroom, and one four-bedroom apartments.

Description of Affordability Mix. The proposed financing includes a Section 18 Disposition (“Demo/Dispo”) for all 94 public housing units. All units will be subject to income restrictions with set-asides ranging from 30% of Area Median Income (“AMI”) to 80% of AMI and will benefit from a project-based Section 8 housing assistance payment contract. The Section 18 rents will have the payment standard set at Small Area Fair Market Rents.

Site Control. The BHA has provided a Letter of Designation to the Developer under a public land disposition process, designating WinnDevelopment Company, LP as the developer for the Redevelopment. At construction closing, the borrower entity will enter into a 99-year ground lease with the BHA. Ground rent terms are not final and are anticipated to include an annual cost per unit and amount equal to 10% of property management fee, currently estimated up to a total of \$31,967 annually. Until terms are final, the ground rent is underwritten as an operating expense.

5. Borrower Team

Mortgagor Entity: MEM Building A LLC

MEM Building A LLC is a sole-asset, single-purpose entity formed for the purposes of owning and operating the Development.

Developer / Sponsor: WinnDevelopment Company Limited Partnership

WinnDevelopment Company Limited Partnership (“WinnDevelopment”) is a Massachusetts limited partnership, the sole general partner of which is WDP Manager Corp., a Massachusetts corporation wholly owned by the partners of the company. Founded in 1971 and comprised of a staff of 3,000, WinnCompanies (the parent company of WinnDevelopment) is an owner, developer and manager of multifamily communities and mixed-income properties, owning more than 100 properties in 11 states, including 15,600 apartments. The company’s development practice focuses on large-scale mixed-use and mixed-income multifamily properties, the acquisition and repositioning of properties, and the acquisition and adaptive reuse of historic structures.

The Agency most recently worked with WinnDevelopment on Elm Place 4% and 9%, and The Pointe at Hills Farm 4% and 9%.

General Partner / Managing Member: MEM Building A JV LLC

WinnDevelopment, BHA, and the Mary Ellen McCormack Tenant Task Force (“TTF”) are evaluating opportunities for participation of the TTF in the ownership structure, with a focus on TTF participation in management oversight.

Construction Lender: Bank of America, N.A.

Bank of America is one of the world’s leading financial institutions, serving individual consumers, small and middle-market businesses, and large corporations with a full range of banking, investing asset management and other financial and risk management products and services.

Bank of America is also one of the largest lenders and investors in affordable, multifamily housing in the United States. Bank of America has financed over 200,000 affordable housing units in projects serving individuals, families, and seniors.

Bank of America’s most recent projects with the Agency include 41 LaGrange Street 4% and 9%, Elm Place 4% and 9%, and The Pointe at Hills Farm 4% and 9%.

Syndicator / Investor: Bank of America, N.A.

Management Company: Winn Managed Properties, LLC (d/b/a “WinnResidential”)

WinnDevelopment’s property management firm is the fifth-largest multifamily property manager in the country and the largest manager of affordable housing. The organization manages more than 100,000 units in 580 properties throughout the United States. WinnResidential manages a total of 82 properties with over 9,900 units in MassHousing’s portfolio.

The Agency most recently worked with WinnResidential on Worcester Boys Club 4% in Worcester and Phillips Brooks School in Boston – Dorchester.

Architect: The Architectural Team, Inc.

Since 1971, the master planning, architecture and interior design firm, The Architectural Team, Inc. (TAT), has earned more than 200 awards for design excellence across a broad range of building types and programs, including new construction of large-scale urban mixed-use developments, multifamily, commercial, waterfront and hospitality developments, assisted and senior living facilities, and community centers. Most recently, the team has been involved with the Clippership Wharf, a mixed-use project in East Boston, and The Anne M. Lynch Homes at Old Colony, an affordable senior housing project.

The Agency also recently worked with TAT on The Eastwalk in Braintree and 41 LaGrange Street 4% in Boston – Chinatown.

General Contractor: To-Be-Formed Entity (Joint Venture of Lee Kennedy Co., Inc & H.J. Russell & Company)

The General Contractor will be a joint venture of Lee Kennedy Co., Inc (“LKCO”) & H.J. Russell & Company (“HJR”), each of which is new to MassHousing. LKCO will be the 70% member and will provide the Project Executive, Project Manager, and Superintendent, while HJR will be the 30% member and will provide the MEP manager and an assistant superintendent. Bonding and insurance will be provided by LKCO. The Borrower will use a Cost Plus with GMP Contract which they prefer for risk management and cost reduction. The organizational structure, financial capacity, and qualifications of the GC team are under review.

Lee Kennedy Co., Inc:

Founded four decades ago, Lee Kennedy Co., Inc is a Quincy-based, full-service construction management firm with an extensive portfolio that includes work in every major sector, including residential, commercial development, academic, life sciences, technology, retail, hospitality, and historic restoration.

H.J. Russell & Company:

H. J. Russell & Company, founded 70 years ago, is an Atlanta-based, vertically integrated service provider specializing in construction, program management, and real estate development. The construction division has extensive experience in building and renovating projects in diverse market segments including high-profile office, parking decks, public assembly, retail, multi-



family residential, student housing, institutional, educational, and sports facilities. Their client base includes municipalities, counties, state and federal entities in the public sector. Within the private sector, HJR has provided services for clients ranging from small businesses to Fortune 500 companies.

The joint venture was selected through a nationwide search. The Sponsor prioritized MWBE participation at all levels of the project. The joint venture demonstrated true commitment to MWBE participation beyond the BHA’s subcontractor and hiring goals and are committed to building a more inclusive and diverse workforce during construction.

6. Summary of MassHousing-Sponsor Relationship	
Number of Projects with MassHousing Debt	32
Total Units with MassHousing Debt	4,796
Outstanding MassHousing Principal Debt	\$667,558,495
Adverse Actions Against the Borrower Team	No
Current on Obligations with MassHousing	Yes
Property Management Affiliate	Yes, Winn Managed Properties, LLC manages properties in the Sponsor’s portfolio and offers management services outside the portfolio

MassHousing Staff	
Origination	Mike Carthas, Originator Dan Maillet, Analyst
Underwriting	Emily Loomis, Underwriter
Asset Management	Dan Discenza, Portfolio Manager Xaviera Renick, Asset Manager

7. Unit Mix

Unit Size	Total Units	LIHTC Eligible								Market Comparison <i>Rent</i>
		Section 18 PB-Section 8 - 30% of AMI		Section 18 PB-Section 8 - 50% of AMI		Section 18 PB-Section 8 - 60% of AMI		Section 18 PB-Section 8 - 80% of AMI		
		<i>Count</i>	<i>Rent</i>	<i>Count</i>	<i>Rent</i>	<i>Count</i>	<i>Rent</i>	<i>Count</i>	<i>Rent</i>	
1 BR	37	13	\$2,730	7	\$2,730	13	\$2,730	4	\$2,730	\$3,300
2 BR	44	15	\$3,250	10	\$3,250	15	\$3,250	4	\$3,250	\$4,200
3 BR	12	4	\$3,930	3	\$3,930	4	\$3,930	1	\$3,930	\$5,600
4 BR	1							1	\$4,330	\$6,220
Total	94	32		20		32		10		

Project-Based Rental Subsidy	
Type	Section 8
Term	20 y
Administrator	Boston Housing Authority
Lesser of contract rents	

8. Operating Overview

Underwritten Operating Expenses	\$1,630,965 (approximately \$17,350 per unit)
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Basis of Operating Costs. Operating expense assumptions were based on the review of comparable properties, borrower-proposed budget, and borrower supporting documentation.

9. Project Costs

Core Residential Costs	
Base	\$64,186,158
Extraordinary	\$11,916,996
Total	\$76,103,153
Commercial, Site and Other Non-Residential Costs	
Commercial Costs	-
Site and Other Non-residential Costs	\$24,026,876
Total	\$24,026,876
Total Development Cost	
Total	\$100,130,029

Project Construction Costs	
Total Construction Cost	\$64,928,125
Construction per Square Foot	\$578

Background on Extraordinary Residential Costs. Extraordinary residential costs are related to Passive House construction, as well as the increases in material costs associated with current market conditions.

Background on Site and Other Non-Residential Costs. Site and non-residential costs are related to several factors. The first relates to the demolition and abatement of the two existing buildings. The second relates to the construction of a new public park, public roads and walks. The third relates to a deferred developer fee. The fourth relates to an adjustment on the bedroom size to accommodate the households currently on site. The last relates to the legal and permitting costs incurred to secure city, state, and federal land use, design, and environmental approvals.



10. Sources and Uses

Sources of Funds	Total
MassHousing Perm Loan	\$21,110,000
Federal LIHTC	\$45,679,609
Federal Energy Tax Credit	\$1,705,875
BHA Sources	\$10,000,000
EOHLC / AHTF ARPA	\$7,900,000
MOH Funds	\$9,000,000
Deferred Developer Fee	\$4,734,545
Total Sources	\$100,130,029

LIHTC Pricing	
Federal LIHTC	\$0.97
Federal Energy TC	\$0.90

Core Residential Uses of Funds	Total	
		Per Unit
Acquisition	-	-
Construction	\$51,910,356	\$552,238
Construction Contingency	\$2,626,646	\$27,943
General Development	\$11,047,255	\$117,524
Capitalized Reserves	\$2,310,047	\$24,575
Overhead	\$4,104,425	\$43,664
Fee	\$4,104,425	\$43,644
Total Residential Uses	\$76,103,153	\$809,608

Base Costs		Extraordinary Costs	
	Per Unit		Per Unit
\$33,947,590	\$361,145	\$17,962,766	\$191,093
\$1,728,507	\$18,388	\$898,138	\$9,555
\$8,147,255	\$68,249	\$2,900,000	\$30,851
\$1,087,727	\$11,572	\$1,222,320	\$13,003
\$1,932,641	\$20,560	\$2,171,784	\$23,104
\$1,932,641	\$20,560	\$2,171,784	\$23,104
\$48,776,361	\$518,897	\$27,326,792	\$290,711

Site and Other Nonresidential Uses*	\$24,026,876
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Total Uses	\$100,130,029
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*Includes applicable hard costs, contingency, soft costs, overhead and fee

11. First Year Income and Expenses

Income		
Rental Income – Project-Based Rental Subsidy		\$3,546,000
Vacancy – Project-Based Rental Subsidy	2.5%	(\$88,650)
Gross Residential Income		\$3,457,350
Other Income – Laundry & Misc. Fees		\$9,400
Effective Gross Income		\$3,466,750

Expenses		
Residential Operating Expenses		\$1,630,965
Net Operating Income		\$1,835,785
Debt Service		(\$1,513,864)
Cash Flow		\$321,920

Debt Service Coverage 1.21

Residential Operating Expense Detail			<i>Per Unit</i>
Management Fee	5.50%	\$190,671	\$2,028
Administrative Costs		\$232,983	\$2,479
Maintenance Costs		\$300,217	\$3,194
Resident Services		\$95,128	\$1,012
Security		\$216,216	\$2,300
Utilities (water and sewer, hot water, heating, cooling)		\$294,508	\$3,133
Insurance		\$119,500	\$1,271
Ground Lease		\$31,967	\$340
Taxes		\$50,000	\$532
Replacement Reserves		\$47,000	\$500
Mortgage Insurance Premium		\$52,775	\$561
Total		\$1,630,965	\$17,351

Operating Expenses as a Percent of EGI 47.05%

12. Underwriting

1. **Loan Sizing.** The Sources and Uses in this commitment proposal reflect a Projected Loan amount of \$21,110,000. The MassHousing Financing Summary in Section 3 above and the Votes below allow for an “Up To” Loan amount of \$26,000,000. The “Up To” Loan amount is intended to accommodate fluctuations in interest rates and a potential increase to the Permanent Loan should a higher rent standard be approved. The final loan amount will be set when the interest rate is locked at construction closing, such that MassHousing’s debt service coverage ratio and loan to value benchmarks will be met.

To the extent that the final loan amount is greater or less than \$21,110,000, MassHousing will confirm that other sources will be adjusted as necessary to maintain a balanced sources and uses.

2. **Subordinate Debt.** Prior to initial closing, the Borrower shall provide written commitments for the subordinate debt to be loaned by BHA, EOHLC, and City of Boston MOH, in amounts needed to provide a balanced sources and uses.
3. **Energy Credits.** The development budget includes \$1,705,875 in equity associated with Federal Section 48 (ITC) and 45L energy tax credits, including credits for the geothermal system for heating and cooling. The inclusion of the credits and final amounts will be evaluated by MassHousing prior to closing.
4. **Initial Equity Contribution.** MassHousing’s Multifamily Loan Closing Standards require 15% of LIHTC equity to be delivered at construction closing unless otherwise approved by MassHousing. The Sponsor has negotiated for 10% of equity at closing, and a total of 42.5% of equity prior to or simultaneous with the closing and funding of MassHousing’s permanent loan.
5. **Enhanced Developer Fees.** The Borrower has proposed an enhanced developer fee that exceeds the QAP standard. Use of the enhanced fee supports the feasibility of the transaction and is included in MassHousing’s underwriting. Any amount of this “exception” fee above the QAP standard calculation will be deferred and included as a source in the development budget. This proposal is subject to EOHLC approval.
6. **Average Income Set Aside.** The Sponsor proposes the use of average income set-aside for this transaction. All units are eligible for tax credits, and the unit mix provides an average income restriction of 58.72%, which is below the EOHLC maximum average income restriction of 59% of AMI. The Borrower-commissioned market study confirms there is a market for units restricted at 80% of AMI. The use of this average income set-aside is subject to EOHLC’s approval.

7. **Project-Based Section 8 Underwritten Rents.** The rents included in this commitment are based on the current applicable rent standard of 100% of Small Area Fair Market Rents. The Borrower is working with the Boston Housing Authority to determine if a higher rent standard can be used. Approval is subject to the underwritten rents being confirmed by the appraisal and confirmation of the rent amounts from the BHA.

8. **Operating Expenses.** The operating expenses of \$17,350/unit are above MassHousing’s portfolio range of per unit expenses. The high expenses are mostly due to Resident Services and Security expenses, which are expected to be reduced through cost efficiencies as more buildings come online. While the Sponsor is carrying a portion of these increased costs in the operating budget, they are also voluntarily establishing two reserves in the development budget. The Sponsor plans to hold and administer these reserves.
 - **Resident Services:** Winn will make resident services available to the entire Redevelopment upon the completion of Building A. Services will be provided by the YMCA in conjunction with Winn Connected Communities. The underwritten Building A Resident Service budget provides for one FTE resident service coordinator. Once additional buildings are completed, their budgets will support additional staffing, offering efficiencies that are expected to allow the stabilized operating budget for Building A to include less than one FTE. To deliver programming across the Redevelopment prior to the completion of subsequent buildings, the development budget includes \$380,512 as a Capitalized Resident Programming Reserve (“CRPR”).

 - **Security:** Upon the completion of Building A, Winn will be responsible for security at Building A, and the Boston Housing Authority Police Department will continue to provide security to the rest of the Redevelopment. The underwritten Building A Security budget provides for 18 hours per day of security desk coverage. Once additional buildings are completed, their budgets will support additional staffing. At that time, it is expected that a combination of desk coverage and roving security will reduce the stabilized operating expense for Building A. In response to resident priorities, the development budget also includes \$324,324 as a Capitalized Security Reserve (“CSR”). This reserve is available to support enhanced security, if needed, prior to the additional buildings and units being completed.

9. **Real Estate Taxes.** The underwritten operating expenses assume approval of a 121B agreement. Documentation of such an agreement will be a closing requirement.

- 10. Site and Ground Lease.** The existing site will be subdivided, and the Borrower will enter into a ground lease for the 0.747-acre Building A land area, with a term of at least 99 years and with annual payments currently estimated at \$31,341. As part of the proposed project, the Borrower will also conduct infrastructure and amenity improvements outside of the Building A land area under a separate ground lease and license. The City of Boston will own and maintain the streets. A separate Common Areas Association/entity is proposed to be formed for areas like Veterans Park. The terms of all such agreements shall be subject to MassHousing approval.
- 11. Third Party Reports.** The MassHousing “as-proposed” appraisal and market study have been commissioned. To the extent the appraisal changes underwritten rents and/or loan-to value, the loan amount will be adjusted accordingly.

Underwriting Criteria and Loan Terms	Mary Ellen McCormack – Building A	Underwriting Standards
1. DSCR	1.21	Minimum of 1.10
2. Term/Amortization	40 y / 40 y Fully amortizing	30-40 y, fully-amortizing
3. Loan to Value	TBD	Maximum of 90% based on third party "as-proposed" investment value
4. Underwriting Rents	Lesser of Project-Based Section 8 ("PBS8") contract or market supported rents	Lesser of: <ul style="list-style-type: none"> • PB-Rental Subsidy contract or market supported rents • Programmatic rent cap or rents supported by MassHousing market review.
5. Vacancy Allowance	PB-Section 8: 2.5%	Minimum of: <ul style="list-style-type: none"> • 2.5% for PB – Rental Subsidy • 3.0% for LIHTC • 5.0% for unrestricted or workforce housing
6. Affordability	40% at 60% of AMI	Minimum of: <ul style="list-style-type: none"> • 20% at 80% of AMI for MassHousing Statute • 40% at 60% or 20% at 50% of AMI for loans with FHA Insurance, HUD/FFB, Tax-Exempt Bond, and/or Federal LIHTC
7. Annual Deposits to Replacement Reserves	\$500 unit / year	Minimum of: <ul style="list-style-type: none"> • \$360 unit / year (new construction) • \$500 unit / year (rehab) <p>Note: Additional initial deposit to reserves may be required by the third-party CNA to fund twenty-year capital needs.</p>
8. Operating Expenses	Approximately \$17,350 unit / year	Typically, between \$11,000 and \$15,000 per unit.

13. Low-Income Housing Tax Credits

The Developer has included in its financing proposal a request for the use of 4% Low-Income Housing Tax Credits (the “4% Credits”). The 4% Credits may be utilized as a result of the funding of the Loan with tax-exempt bonds or notes of MassHousing which are to be issued under Section 142 of the Internal Revenue Code of 1986, as amended (the “Code”) and are subject to a volume capacity allocation under Section 146 of the Code.

Use of the 4% Credits must be approved by EOHLC as the “housing credit agency” under Section 42 of the Code who must make the determination required under Section 42(m)(1)(D) of the Code that the development and financing proposal meets the requirements of the Commonwealth’s Qualified Allocation Plan. In addition, MassHousing, as the issuer of tax-exempt obligations which generate the 4% Credits must determine under Section 42(m)(2)(D) of the Code that the amount of 4% Credits does not exceed the amount necessary for the financial feasibility and long-term viability of the development. Such determination shall be made applying the standards set forth in the proposed Board vote herein, as required by Section 42(m)(2)(B) of the Code.

Mary Ellen McCormack – Building A VOTES AND FINDINGS

PROPOSALS AND VOTES

Official Action Status

RECOMMENDATION:

Staff has reviewed the development experience and creditworthiness of the mortgagor and sponsor and found them to be acceptable. Staff has also determined that the mortgagor, sponsor, or an affiliate under common control has demonstrated evidence of site control, that the proposed site is acceptable for the intended housing, and that there is a need for the proposed housing in the community where the site is located. Therefore, staff recommends the following votes for approval:

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 “Mary Ellen McCormack – Building A” (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 that such loan (a) be funded with proceeds of tax-exempt debt issued in the future and (b) reimburse, in accordance with Treasury Regulations Section 1.150-2, up to \$63,650,000 of costs of the Development paid prior to the issuance of such debt or the making of such loan; provided that this vote does not require the Agency to make any expenditure, incur any indebtedness or proceed with the Development.

Official Action Status Findings

In accordance with the vote of the Members of MassHousing dated October 10, 2023, staff makes the following Official Action Status findings for the Development:

1. The mortgagor or sponsor has acceptable multifamily housing development experience and acceptable credit history.
2. The mortgagor, sponsor or an affiliate under common control has demonstrated evidence of site control, which may include a deed, a ground lease, a purchase option, a contract of sale, or designation under a public land disposition process.
3. The site is acceptable for the proposed housing (if the loan would finance new construction).

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

First & Bridge Mortgage Loans

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 \$26,000,000, such first loan to be insured under the HUD HFA Risk Sharing Program; and (b) a subordinate equity bridge mortgage loan in a principal amount of up to \$34,900,000, in each case to be made to MEM Building A LLC or another single-purpose entity controlled by WinnDevelopment Company Limited Partnership or an affiliated entity (the “Borrower”) as owner of the multifamily residential development known as “Mary Ellen McCormack – Building A” (the “Development”) and located in Boston – South 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.

4% Low-Income Housing Tax Credits

VOTED: That the amount of 4% Credits, as set by the Chief Executive Officer, the Chief Legal and Operating Officer, the Vice President of Multifamily Programs, the Senior Director of Capital Deployment, the Director (or Senior 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 – South Boston, Massachusetts and known as “Mary Ellen McCormack – Building A” (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 Chief Executive Officer, the Chief Legal and Operating Officer, the Vice President of Multifamily Programs, the Senior Director of Capital Deployment, the Director (or Senior 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.

**FURTHER
VOTED:**

To authorize the Chief Executive Officer, the Chief Legal and Operating Officer 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 Chief Executive Officer, the Chief Legal and Operating Officer 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 their 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:

94 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

The market needs data reflects the information available to A&M staff as of the date of collection June 13, 2024. Further, the reader is cautioned and reminded that any observations, comparisons, and/or conclusions are based on the data as of the indicated collection date.

In-house data for larger market and mixed-income complexes (approximately 848 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 93.2%, and range between 92% and 100%. One of the comparables reviewed was offering a rental concession of 2 months free rent to prospective tenants.

CoStar data for the subject’s South Boston/Seaport submarket (6,764 units) has an overall vacancy rate at 5.9% YTD, which is an increase of 1.39% from one year ago. CoStar data for the Boston market (275,652 units) has an overall vacancy rate of 5.3% YTD, which is an increase of .34% from one year ago. The South Boston/Seaport Submarket vacancy rate is projected to decrease to 5.0% over the next five years, while the Boston market is projected to decrease to 5.1%.

CoStar, submarket data for the 4-5 Star building type (5,943 units) indicates 2nd Qtr. 2024 vacancy rate of 6.4% and an average asking rent of \$4,528, while submarket data for the subject’s 3 Star building type (1,086 units) indicates a 2nd Qtr. 2024 vacancy rate of 5.3% at an average asking rent of \$3,176 and 1-2 Star buildings(735 units) indicates a 2nd Qtr. 2024 vacancy rate of 3.9% at an average asking rent of \$1,928. 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 EOHLIC Chapter 40B Subsidized Housing Inventory (6/29/23), the City of Boston 299,238 year-round housing units, 57,443 (19.2%) of which are subsidized for low/moderate income households.

BHA owns and operates 27 family and 36 elderly/disabled developments with a total of 12,501 units. The BHA also administers 14,574 units of Leased Housing, consisting of 12,216 Housing Choice Vouchers, 1,441 Project Based and 198 Moderate Rehab. In addition, the City of Boston’s Annual Plan (FY2024) indicated that the BHA maintains the following wait lists: There are 7,724

households on the Leased Housing waiting list. This is broken down by families with children, families with disabilities and 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 28,703 applicants.

U.S. Census data from the 2017-2021 American Community Survey (ACS) indicates that of the 271,250 households in the City of Boston approximately 77.2% earned less than the HUD published 2024 AMI (\$148,900), approximately 47.1% earned less than 50% of 2024 AMI, approximately 54% earned less than 60% of the 2024 AMI, and approximately 68.8 %earned less than 80% of the 2024 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.

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	37	44	12	1
Net SF/Unit	617	902	1246	1388
Elev./Non-Elev.	Y	Y	Y	Y
Market Rate Rent	\$8,245	\$ 8,765	\$9,445	\$9,845
MHFA Below Market Rent (Cost-Based Rent)	\$5,634	\$6,154	\$6,834	\$7,234
MHFA Adjusted Rent	30% of Income			
Underwriting Rents				
30% of AMI - PBV	\$2,730	\$3,250	\$3,930	\$4,330
50% of AMI - PBV	\$2,730	\$3,250	\$3,930	\$4,330
60% of AMI - PBV	\$2,730	\$3,250	\$3,930	\$4,330
80% of AMI - PBV	\$2,730	\$3,250	\$3,930	\$4,330

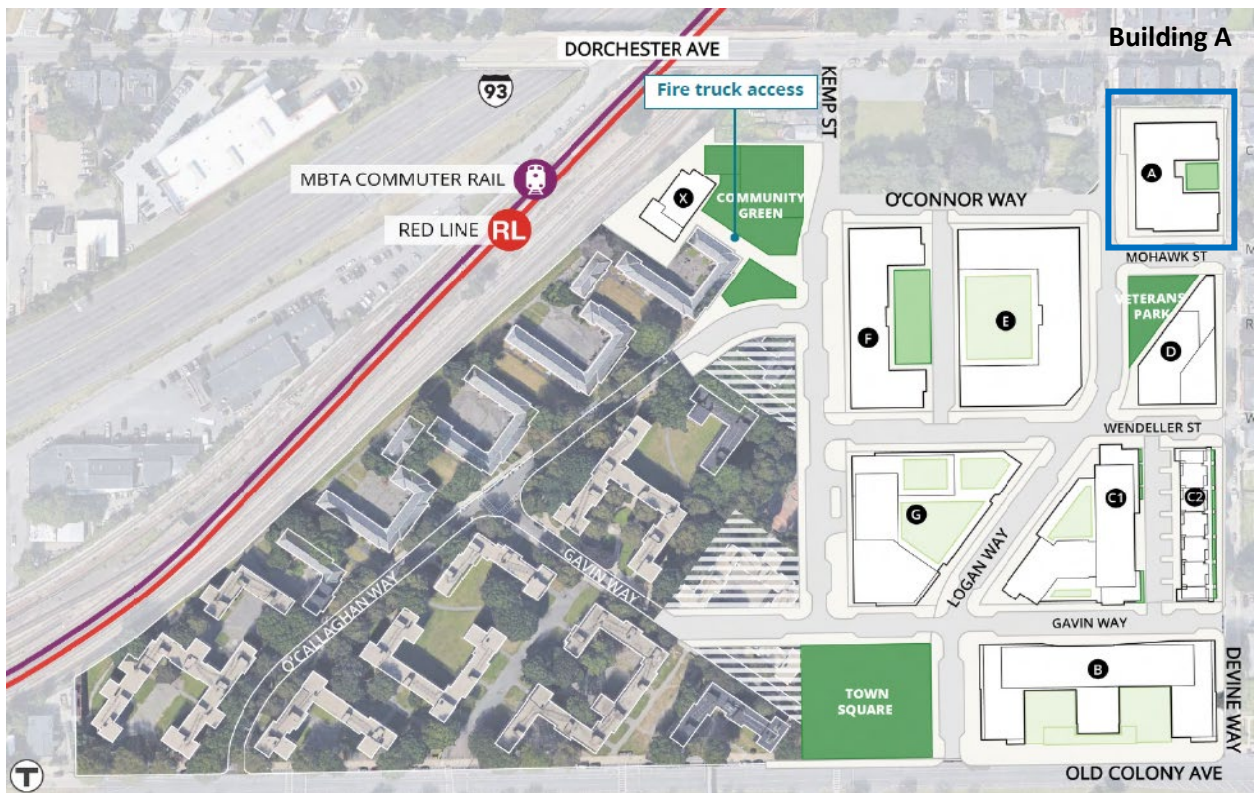
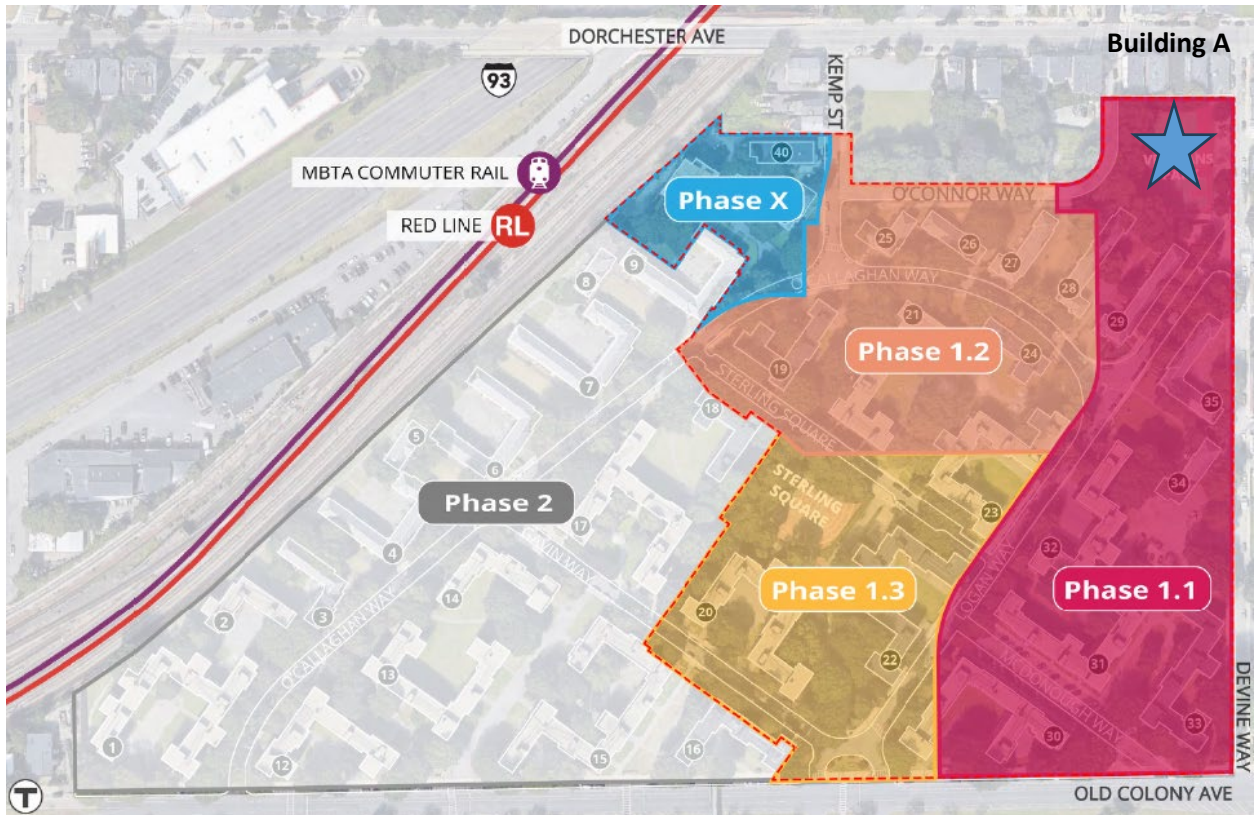
Based on this information, MassHousing staff finds that a significant need exists for the type of development proposed here, that private enterprise alone cannot supply such housing, and that the financing of the Development will not create or contribute to an undue concentration of low-income persons or adversely impact other housing in the area.

MAP AND PICTURES



Existing Buildings





Loan Commitment Proposal | July 9, 2024

Cheney Homes Apartments

1. General Project Information	
Project Name	Cheney Homes Apartments
Project ID	22-111
Associated Projects	N/A
Address(es)	4-18 Cheney Street, Dorchester, MA 02121
Sponsor	Jamaica Plain Neighborhood Development Corporation
Transaction Type	Production (4%)
Funding Type	Forward – Conduit Private Placement
Execution Type	Conduit – Tax-Exempt
Credit Enhancement	None
Approval Type	Board
Total Rental Units	48 Units
Affordability Mix	48 Affordable

2. Recommended Actions

- Commitment of Tax-Exempt Conduit Loan
- Approval for the Use of Low-Income Housing Tax Credits

Jamaica Plain Neighborhood Development Corporation (the “Sponsor” or “JPNDC”) has requested that MassHousing act as the conduit lender of tax-exempt bond proceeds under the Conduit Loan Program to allow the Sponsor to access 4% LIHTC equity for the proposed financing of Cheney Homes Apartments (the “Development”).

The overall development consists of the demolition of an existing dilapidated structure, and the new construction of 48 service-enriched rental apartments for seniors aged 55 and above. JPNDC designed the Development to meet the needs of seniors as they age in place, with common areas such as a kitchen, dining room and outdoor courtyard to promote social interaction in an independent living environment. The Borrower will offer robust supportive services through the Program of All-inclusive Care for the Elderly (PACE) including a full-time resident services coordinator and part-time nurse.

3. MassHousing Financing

Conduit Loan	
Type	Short-Term Tax-Exempt Conduit Loan
Loan Amount	\$12,800,000
Loan Term / Amortization	38 mo / interest only
Conduit Loan	
Type	Long-Term Tax-Exempt Conduit Loan
Loan Amount	\$6,900,000
Loan Term/Amortization	20y / 30y after permanent conversion, interest only for the development period of up to 38 months

4. Development Plan

Description of Site. The site is located in the Grove Hall neighborhood of Boston and is less than one block from Blue Hill Avenue, which offers a range of retail options and several MBTA bus routes. Commuter rail service is available at the Four Corner/Geneva station half a mile away.

Description of Existing or Proposed Building. The Development involves the demolition of a vacant commercial structure and the construction of a new four-story wood framed building. The building is designed to Passive House standards and will contain two elevators, 25 underground parking spaces, a common kitchen and dining room, a multipurpose community room, and an outdoor courtyard. The common spaces will be located on the ground floor, with the units on floors two through four.

Description of Affordability Mix. All 48 units will be subject to income restrictions with set-asides ranging from 30% of Area Median Income (“AMI”) to 60% of AMI.

Eight units will benefit from a Project-Based Section 8 HAP contract and 28 units will benefit from Project-Based Enhanced MRVP vouchers (see Section 12).

Site Control. The Borrower currently owns the site in fee simple as evidenced by a Quitclaim Deed dated February 28, 2019 between Grove Hall Cheney, LLC and CheneySchuyler LLC.

5. Borrower Team

Mortgagor Entity: CheneySchuyler LLC

CheneySchuyler LLC (“Borrower”) is a single-asset, sole purpose limited liability company formed for the purposes of owning and operating the Development.

Developer / Sponsor: Jamaica Plain Neighborhood Development Corporation

Founded in 1977, Jamaica Plain Neighborhood Development Corporation (“JPNDC”) provides real estate development, early education, economic development programming, community organizing, and operations services. JPNDC has developed more than 700 homes, created 2,000 new jobs, and invested over \$375 million in Jamaica Plain, Dorchester, and Roxbury. JPNDC’s Lorenzo Pitts portfolio utilized MassHousing tax-exempt debt as part of a 2018 refinancing.

General Partner / Managing Member: Cheney Homes MM LLC

Construction Lender: Eastern Bank

Eastern Bank is a Massachusetts-based financial institution offering consumer, commercial, and business banking services. Eastern Bank has approximately \$24 billion in total assets and employs approximately 2,100 people. The bank recently provided construction financing for Brockton South T.O.D.

Consultant: Christine Gimble Rogers

Christine Rogers has over 15 years of experience in affordable housing and economic development, including working with state, Federal, private, and non-profit partners. She brings a strong focus on project financing and underwriting for diverse project types, including Veterans, senior, homeless, supportive, and Low-Income Housing Tax Credit housing. She worked on two recent projects with MassHousing financing, Residences off Baker and Sanderson Place, and will support JPNDC during the closing process of Cheney Homes Apartments.

Syndicator / Investor (Federal Credits): Massachusetts Housing Investment Corporation

Massachusetts Housing Investment Corporation (“MHIC”) was founded in 1990 as a private non-profit by a consortium of banks to fill a critical gap in meeting the credit needs of affordable housing developers. To date, MHIC has raised over \$3.6 billion from over 175 investors to support community development financing throughout New England. MHIC was recently the syndicator for federal LIHTC on 10 @ 8th in New Bedford and Prospect Estates in Webster.

Syndicator / Investor (State Credits): Dorfman Capital

Dorfman Capital, founded in 1990 by President Bob Dorfman, specializes in innovative financing for real estate developments. The company has facilitated over \$1 billion in financing for corporations and real estate developers. Dorfman Capital focuses on transforming communities through brownfields development, affordable housing, and historic reuse. The firm offers expertise in brownfields tax credit finance and facilitates investments for Federal and State Tax Credits for various initiatives, including Historic reuse (HTC), Low Income Housing (LIHTC), Housing Development Incentive Program (HDIP), Film, Energy (ITC), and New Market Tax Credits (NMTC). Dorfman Capital was the state LIHTC syndicator on Van Der Heyden Apartments in Springfield.

Management Company: UHM Properties, LLC

UHM Properties LLC (“UHM”) is a person of color-owned property owner and manager. The company was previously known as United Housing Management LLC and was formed in 2002 by former employees of Long Bay Management. Today, UHM manages over 1,400 housing units. The company manages New Port Antonio in the MassHousing portfolio and will manage Salem Schools Redevelopment when that development begins operations.

Architect: ICON Architecture, Inc.

ICON Architecture is a women-owned architecture firm that has designed over 18,110 units. ICON has extensive experience in affordable housing and the adaptive reuse of historic buildings and is the project architect on Salem Schools Redevelopment and Fitchburg Arts Community.

General Contractor: NEI General Contracting, Inc.

NEI General Contracting is an award-winning provider of General Contracting and Construction Management Services specializing in affordable and market-rate housing. Since 1998, NEI General Contracting has provided a full spectrum of General Contracting and Construction Management services to clients throughout the Eastern United States. NEI’s most recent projects with MassHousing financing are Brockton South T.O.D and Columbia Uphams Apartments.

6. Summary of MassHousing-Sponsor Relationship	
Number of Projects with MassHousing Debt	1
Total Units with MassHousing Debt	201
Outstanding MassHousing Principal Debt	\$26,939,450
Adverse Actions Against the Borrower Team	No
Current on Obligations with MassHousing	Yes, as of June 17, 2024
Property Management Affiliate	No

MassHousing Staff	
Origination	Jeff Geller, Originator Matthew Deych, Analyst Sim Montrond, Analyst
Underwriting	Ryan Setzko, Underwriter
Asset Management	Mildred Mukasa, Portfolio Manager Zachrea Sydney, Asset Manager

7. Unit Mix

Unit Size	Total Units	LIHTC Eligible								Market Comparison Rent
		30% of AMI - EMRVP		50% of AMI - EMRVP		30% of AMI - Section 8 PBV		60% of AMI		
		Count	Rent	Count	Rent	Count	Rent	Count	Rent	
1 BR	46	18	\$2,502	8	\$2,502	8	\$2,852	12	\$1,586	TBD
2 BR	2	-	-	2	\$2,952	-	-	-	-	TBD
Total	48	18		10		8		12		

Project-Based Rental Subsidy	
Type	Section 8
Term	20 y
Administrator	Metro Housing Boston
Project-Based Rental Subsidy	
Type	MRVP
Term	15 y
Administrator	Metro Housing Boston

8. Operating Overview

Underwritten Operating Expenses	\$741,300 (approximately \$15,400 per unit)
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Basis of Operating Costs. Operating expense assumptions were based on the borrower-proposed budget and borrower supporting documentation.

9. Project Costs

Core Residential Costs	
Base	\$27,993,437
Extraordinary	\$5,437,880
Total	\$33,431,317
Commercial, Site and Other Non-Residential Costs	
Commercial Costs	\$0
Site and Other Non-residential Costs	\$4,471,277
Total	\$4,471,277
Total Development Cost	
Total	\$37,902,594

Project Construction Costs	
Total Construction Cost	\$21,510,000
Construction per Square Foot	\$361

Background on Extraordinary Residential Costs. Passive House design and escalated construction costs are the primary drivers of extraordinary costs.

Background on Commercial, Site and Other Non-Residential Costs. Non-residential costs carried in the development budget include demolition of the existing building on the site and underground parking,

10. Sources and Uses

Sources of Funds	Total
MHP Permanent Loan	\$6,900,000
Federal LIHTC Equity	\$13,815,094
State LIHTC Equity	\$4,240,000
EOHLC - HOME	\$1,000,000
EOHLC - AHTF	\$1,000,000
EOHLC - HSF/HIF/CBH	\$2,750,000
EOHLC - ARPA	\$1,210,000
City HOME/IDP	\$4,766,500
City NHT	\$1,500,000
Passive House Rebate	\$49,000
Grants	\$275,000
Deferred Developer Fee	\$397,000
Total Sources	\$37,902,594

LIHTC Pricing	
Federal LIHTC	\$0.90
State LIHTC	\$0.80

Core Residential Uses of Funds	Total	
		Per Unit
Acquisition	\$1,652,600	\$34,429
Construction	\$17,525,000	\$365,104
Construction Contingency	\$876,250	\$18,255
General Development	\$10,330,490	\$215,219
Capitalized Reserves	\$734,004	\$15,292
Overhead	\$1,156,487	\$24,093
Fee	\$1,156,487	\$24,093
Total Residential Uses	\$33,431,317	\$696,486

Base Costs		Extraordinary Costs	
	Per Unit		Per Unit
\$1,652,600	\$34,429		\$0
\$14,385,000	\$299,688	\$3,140,000	\$65,417
\$719,250	\$14,984	\$157,000	\$3,271
\$8,854,713	\$184,473	\$1,475,777	\$30,745
\$573,783	\$11,954	\$160,221	\$3,338
\$904,045	\$18,834	\$252,441	\$5,259
\$904,045	\$18,834	\$252,441	\$5,259
\$27,993,437	\$583,196	\$5,437,880	\$113,290

Commercial Uses*	\$0
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Site and Other Nonresidential Uses*	\$4,471,277
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Total Uses	\$37,902,594
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*Includes applicable hard costs, contingency, soft costs, overhead and fee

11. First Year Income and Expenses

Income		
Rental Income – Project-Based Rental Subsidy		\$1,125,264
Rental Income – Non-Rental Subsidy		\$228,384
Gross Potential Residential Income		\$1,353,648
Vacancy – Project-Based Rental Subsidy	2.5%	(\$28,131)
Vacancy – Non-Rental Subsidy	3.0%	(\$6,852)
Gross Residential Income		\$1,318,665
Other Income – Laundry		\$1,500
Effective Gross Income		\$1,320,165

Expenses		
Residential Operating Expenses		\$741,314
Net Operating Income		\$578,851
Debt Service		\$407,100
Cash Flow		\$171,751

First Mortgage Debt Service Coverage 1.42

Residential Operating Expense Detail			<i>Per Unit</i>
Management Fee	5.00%	\$66,008	\$1,375
Administrative Costs		\$170,085	\$3,543
Maintenance Costs		\$142,890	\$2,977
Resident Services		\$75,000	\$1,563
Security		\$50,000	\$1,042
Utilities (water and sewer, heat, hot water)		\$107,016	\$2,230
Insurance		\$60,000	\$1,250
Taxes		\$53,515	\$1,115
Replacement Reserves		\$16,800	\$350
Total		\$741,314	\$15,444

Operating Expenses as a Percent of EGI 56.2%

12. Underwriting

1. **Financing Structure.** Eastern Bank will serve as the taxable construction lender providing an estimated \$21,900,000 construction loan to the Development. MassHousing will issue up to \$19,700,000 in conduit tax-exempt drawdown bonds, sized to meet the Development's 50% test needs.

At construction closing, the Borrower will close on the taxable construction financing with Eastern Bank. MassHousing will also issue the drawdown tax-exempt bonds. Eastern Bank will draw down \$50,001 of the tax-exempt bonds, which will be used specifically to pay for costs of bond issuance.

During construction, the Borrower will draw down Eastern Bank's taxable construction loan, available equity, and EOHLIC and City soft funds to pay for project expenses. The remaining balance in drawdown tax-exempt bonds will not be utilized during the construction period.

After construction is complete, Eastern Bank will provide a tax-exempt loan or loans to the Borrower with the remaining tax-exempt bond proceeds to pay down all or a portion of the construction loan to meet the 50% test. Following stabilization, a portion, equal to \$6,900,000 of the tax-exempt loan, will be assigned to Massachusetts Housing Partnership and remain outstanding as a permanent loan with the remaining amount repaid from tax credit equity.

2. **Management Documents.** The Sponsor has requested that MassHousing waive the requirement to use MassHousing's AFHMP and TSP forms for the Development and instead rely on the approved Affirmative Fair Housing Marketing and Tenant Selection Plan from the Boston Fair Housing Commission ("BFHC") - Boston Housing Authority. This request is pending Rental Management staff review and recommendation.
3. **Local Preference.** The Sponsor has proposed that 70% of the units to be occupied by Boston residents at initial lease up to expand affordable housing opportunities in the Boston area for the 55+ community. The extent of the preference and its criteria are subject to the approval of MassHousing and EOHLIC.
4. **Resident Services.** The Borrower will enter into a contract with the Uphams Corner Health Committee, which will employ a resident services coordinator to provide activities such as chair yoga, game nights, coffee hours, wellness/vaccine clinics, arts & crafts, and meal programs. The contract will also provide funds for Upham's PACE (Program of All-inclusive Care for the Elderly) to employ a wellness nurse at the Development.

The Sponsor has requested Enhanced MRVP vouchers from EOHLIC, which provide \$1,500 per unit per year for resident services in addition to rental assistance. Should the

Development receive fewer vouchers than requested, the operating budget forecasts sufficient funds to pay for the proposed resident services.

5. **Operating Expenses.** Operating expenses per unit are above the Agency's average portfolio range of \$11,000 to \$15,000 per unit. The underwritten expenses of \$15,401 per unit are driven primarily by costs related to supportive services. The Development is specifically designed to support low-income seniors aging in place, and as such a full-time resident services coordinator and part-time nurse will be on staff to support the residents.
6. **Grants Source:** The proposed financing includes grants for \$175,000 from the Charles H. Farnsworth Charitable Trust (managed by Bank of America), and \$100,000 from Capital One's Blueprint to Buildings program.

Underwriting Criteria and Loan Terms	Cheney Homes Apartments	Underwriting Standards
1. DSCR	1.42	Minimum of 1.10
2. Term/Amortization	20y / 30y	30-40 y, fully-amortizing
3. Loan to Value	N/A	Maximum of 90% based on third party "as-proposed" investment value
4. Underwriting Rents	PB-Rental Subsidy contract	Lesser of: <ul style="list-style-type: none"> • PB-Rental Subsidy contract or market supported rents • Programmatic rent cap or rents supported by MassHousing market review.
5. Vacancy Allowance	2.5% PB-Rental Subsidy 3.0% LIHTC	Minimum of: <ul style="list-style-type: none"> • 2.5% for PB – Rental Subsidy • 3.0% for LIHTC • 5.0% for unrestricted or workforce housing
6. Affordability	40% at 60%	Minimum of: <ul style="list-style-type: none"> • 20% at 80% of AMI for MassHousing Statute • 40% at 60% or 20% at 50% of AMI for loans with FHA Insurance, HUD/FFB, Tax-Exempt Bond, and/or Federal LIHTC
7. Annual Deposits to Replacement Reserves	N/A for conduit loans	Minimum of: <ul style="list-style-type: none"> • \$360 unit / year (new construction) • \$500 unit / year (rehab) Note: Additional initial deposit to reserves may be required by the third-party CNA to fund twenty-year capital needs.
8. Operating Expenses	Approximately \$15,400 unit / year	Typically, between \$11,000 and \$15,000 per unit.

13. Low-Income Housing Tax Credits

The Sponsor has included in its financing proposal a request for the use of 4% Low-Income Housing Tax Credits (the “4% Credits”). The 4% Credits may be utilized as a result of the funding of a portion of the financing with tax-exempt bonds or notes of MassHousing which are to be issued under Section 142 of the Internal Revenue Code of 1986, as amended (the “Code”) and are subject to a volume capacity allocation under Section 146 of the Code.

Use of the 4% Credits must be approved by EOHLC as the “housing credit agency” under Section 42 of the Code who must make the determination required under Section 42(m)(1)(D) of the Code that the development and financing proposal meets the requirements of the Commonwealth’s Qualified Allocation Plan. In addition, MassHousing, as the issuer of tax-exempt obligations which generate the 4% Credits must determine under Section 42(m)(2)(D) of the Code that the amount of 4% Credits does not exceed the amount necessary for the financial feasibility and long-term viability of the Development. Such determination shall be made applying the standards set forth in the proposed Board vote herein, as required by Section 42(m)(2)(B) of the Code.

Cheney Homes Apartments VOTES AND FINDINGS

PROPOSALS AND VOTES

Commitment of a Conduit Loan

VOTED: To approve the findings and determinations set forth below and to authorize the issuance of multifamily tax-exempt obligations in an estimated principal amount of \$19,700,000, in one or more series pursuant to one or more indentures and/or financing agreements with such terms, interest rates, redemption provisions and maturity schedules as shall be approved by any of the Chief Executive Officer, Chief Legal and Operating Officer, General Counsel, Financial Director, Comptroller, or Director (or Senior Director) of Finance and Bond Compliance, acting singly, and any officer or employee of MassHousing acting in such capacity or otherwise authorized to perform specific acts or duties by resolution of MassHousing (each an “Authorized Officer”), each Authorized Officer, acting singly, being authorized to execute and deliver such agreements and any other documents, instruments, and agreements necessary to effectuate the purposes of a conduit financing, with the proceeds of such issuance to be lent to CheneySchuyler LLC or another single-purpose entity controlled by Jamaica Plain Neighborhood Development Corporation or an affiliate (the “Borrower”) as owner of the multifamily residential development known as “Cheney Homes Apartments” (the “Development”) and located in 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 Chief Executive Officer, the Chief Legal and Operating Officer 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, including a taxable construction mortgage loan from Eastern Bank (the “Eastern Loan”), provided that, other than the Eastern Loan, (1) any such mortgage loans shall be subordinated to MassHousing’s mortgage loan, and other MassHousing debt as determined by the Chief Executive Officer, the Chief Legal and Operating

Officer 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 their designee.

FURTHER VOTED: To authorize the Chief Executive Officer, the Chief Legal and Operating Officer and the Vice President of Multifamily Programs, and their respective designees, each acting singly, to permit the owner and management agent of Cheney Homes Apartments to use as its tenant selection plan and affirmative fair housing marketing plan the forms prepared and approved by the Boston Fair Housing Commission, subject to review and approval by MassHousing's Senior Director of Rental Management.

4% Low-Income Housing Tax Credits

VOTED: That the amount of 4% Credits, as set by the Chief Executive Officer, the Chief Legal and Operating Officer, the Vice President of Multifamily Programs, the Senior Director of Capital Deployment, the Director (or Senior 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 Worcester, Massachusetts and known as "Cheney Homes Apartments" (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 Chief Executive Officer, the Chief Legal and Operating Officer, the Vice President of Multifamily Programs, the Senior Director of Capital Deployment, the Director (or Senior Director) of Rental Underwriting, the, 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.

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:

All 48 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

The market needs data reflects the information available to A&M staff as of the date of collection June 12, 2024. Further, the reader is cautioned and reminded that any observations, comparisons, and/or conclusions are based on the data as of the indicated collection date.

In-house data for larger market and mixed-income complexes (approximately 1,361 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 93.8%, and range between 92% and 100%. One of the comparable reviewed was offering a rental concession of 2 months free rent to prospective tenants.

CoStar data for the subject's Roxbury/Dorchester submarket (8,360 units) has an overall vacancy rate at 12.4% YTD, which is an increase of 5.54% from one year ago. CoStar data for the Boston market (275,652 units) has an overall vacancy rate of 5.3% YTD, which is an increase of .34% from one year ago. The Roxbury/Dorchester Submarket vacancy rate is projected to decrease to 9.7% over the next five years, while the Boston market is projected to decrease to 5.1%.

CoStar, submarket data for the 4-5 Star building type (2,643 units) indicates 2nd Qtr. 2024 vacancy rate of 18.6% and an average asking rent of \$3,026, while submarket data for the subject's 3 Star building type (3,122 units) indicates a 2nd Qtr. 2024 vacancy rate of 6.5% at an average asking rent of \$2,939 and 1-2 Star buildings (2,595 units) indicates a 2nd Qtr. 2024 vacancy rate of 13.2% at an average asking rent of \$2,125. 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 Executive Office of Housing and Livable Communities Chapter 40B Subsidized Housing Inventory (6/29/23), the City of Boston 299,238 year-round housing units, 57,443 (19.2%) of which are subsidized for low/moderate income households.

Boston Housing Authority (BHA) owns and operates 27 family and 36 elderly/disabled developments with a total of 12,501 units. The BHA also administers 14,574 units of Leased Housing, consisting of 12,216 Housing Choice Vouchers, 1,441 Project Based and 198 Moderate Rehab. In addition, the City of Boston's Annual Plan (FY2024) indicated that the BHA maintains the following wait lists: There are 7,724 households on the Leased Housing waiting list. This is

broken down by families with children, families with disabilities and 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 28,703 applicants.

U.S. Census data from the 2017-2021 American Community Survey (ACS) indicates that of the 271,250 households in the City of Boston approximately 77.2% earned less than the HUD published 2024 AMI (\$148,900), approximately 47.1% earned less than 50% of 2024 AMI, approximately 54% earned less than 60% of the 2024 AMI, and approximately 68.8% earned less than 80% of the 2024 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.

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:

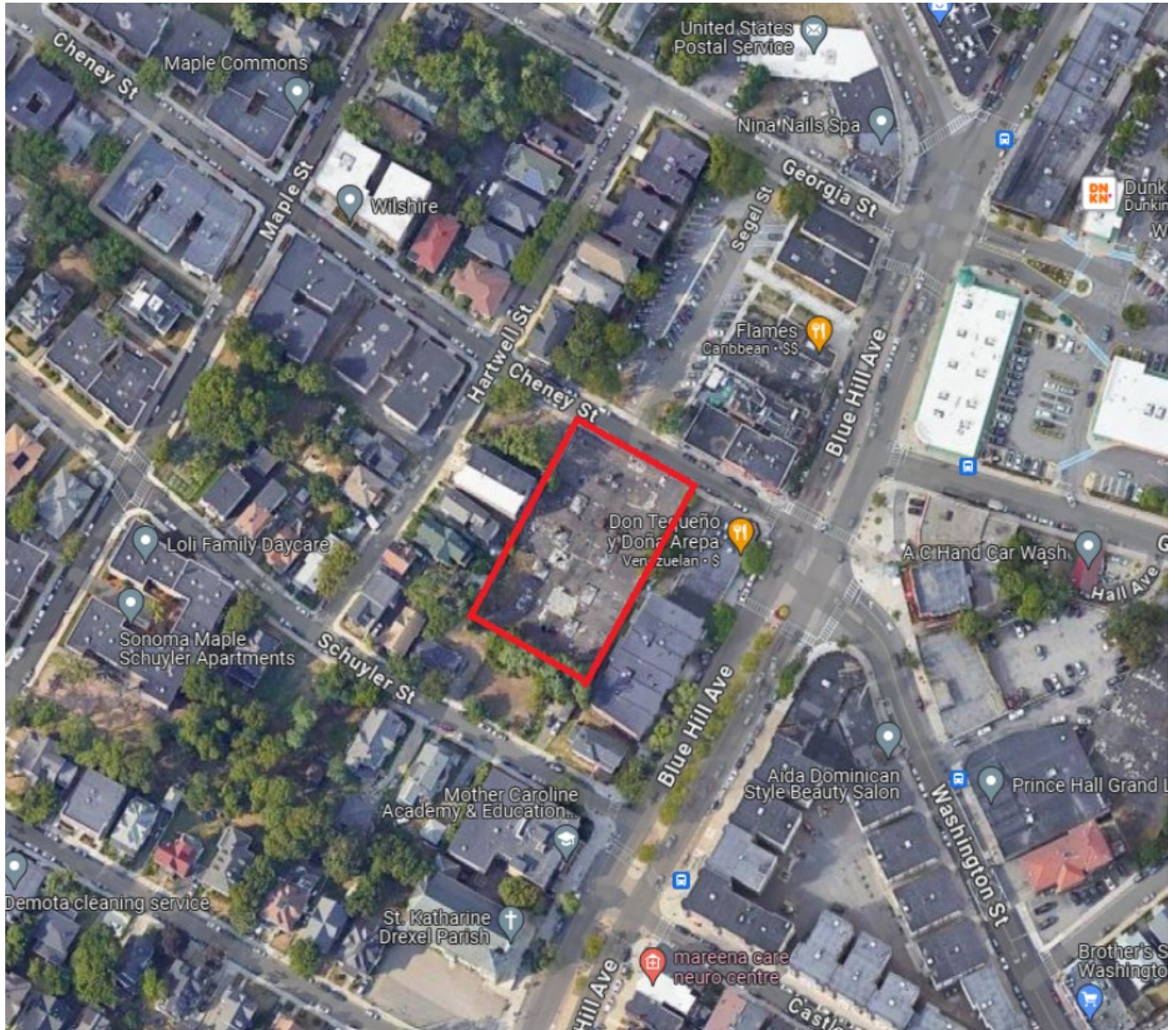
Pursuant to Section 6(a) of the Act, MassHousing makes the following rental determinations for units within the proposed Development:

Rent Schedule:

Number of Bedrooms	1	2
Number of Units	46	2
Net SF/Unit	649	878
Elev./Non-Elev.	Y	Y
Market Rate Rent (10% Rate 20 Year Term)	\$2,934	\$3,507
MHFA Below Market Rent (Cost-Based Rent)	\$ 2,253	\$2,827
MHFA Adjusted Rent	30% of Income	
Underwriting Rents		
Section 8 PBV	\$2,852	\$3,392
EMRVP	\$2,502	\$2,952
60% AMI	\$1,586	\$1,903

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.

MAP AND PICTURES





Loan Increase Proposal | July 9, 2024

JP Clifton Place (f/k/a Jefferson Park, Phase 1)

1. General Project Information	
Project Name	JP Clifton Place*
Project ID	21-012
Associated Projects	Jackson Place (f/k/a Jefferson Park Phase 3)
Address(es)	1 Jackson Place, Cambridge, MA 02140
Sponsor	Cambridge Housing Authority
Transaction Type	Preservation and Production (4%)
Funding Type	Taxable Increase to Permanent Loan
Execution Type	Portfolio (TE)
Credit Enhancement	HUD/FHA Risk-Sharing with 50% credit risk
Approval Type	Board
Total Rental Units	195
Affordability Mix	195 Affordable

* Previously referred to as “Clifton Place (f/k/a Jefferson Park, Phase 1) in the October 10, 2023 Loan Package.

2. Recommended Actions

- Commitment of a taxable increase to the Permanent Loan

JP Clifton Place (f/k/a Jefferson Park, Phase 1) (the “Development”) is the new construction of a 195-unit development in North Cambridge that will replace 132 existing units in the former Jefferson Park Federal CHA-owned development. On October 10, 2023, Members of the Agency approved commitments for the financing of (i) a tax-exempt permanent first mortgage loan of up to \$58,020,000 and (ii) a tax-exempt equity bridge loan of up to \$26,980,000. After this original commitment, MassHousing approved via its staff delegated approval process a reduction of the tax-exempt permanent first mortgage loan to \$54,471,000 and an increase to the tax-exempt equity bridge loan to \$30,529,000 on May 30, 2024. The aggregate financing commitment resulting from the staff delegated approval process remained \$85,000,000, and the proposed increase to the permanent loan, taken together with the previous staff delegated approval, exceeds the delegation of authority threshold granted to staff by the Agency Members.

Since the approval of the financing commitments, the Cambridge Housing Authority (the “Sponsor” and “CHA”) has made substantial progress toward a first closing and the transaction was included in the Agency’s June bond issuance. The actual rates on both the Tax-Exempt Permanent Loan (5.70%) and the Tax-Exempt Bridge Loan (4.53%) are well below what was originally underwritten (6.75% and 7.52%, respectively). As a result of the lower rate on the Permanent Loan, the debt service coverage ratio (“DSCR”) is much higher than anticipated and the Development has the potential to leverage additional permanent debt; as such, the Sponsor

has requested that MassHousing add a taxable tranche to the Permanent Loan. These additional loan proceeds will replace Cambridge Affordable Housing Trust (“CAHT”) sources in the transaction, making that resource available to support the next phase of the Jefferson Park redevelopment, Jackson Place.

3. Relevant MassHousing Financing	
First Loan	
Type	Tax-Exempt Permanent Loan
Loan Amount	\$58,098,000 consisting of: Tranche A: \$54,471,000 at 5.70% (previously locked) Tranche B: \$3,627,000 projected at 7.30% (10 Year Treasury plus 300 basis points (bps) to be locked at Construction Loan Closing)
Loan Term/Amortization	40 y / 40 y
Year 1 DSCR	1.15x (1.10x minimum)
LTV	83.5% (90% maximum)
Taxable Perm Loan	
Type	Taxable Permanent Loan
Loan Amount	\$3,627,000
Interest	7.30% projected
Loan Term/Amortization	40 y / 40 y
Tax-Exempt Equity Bridge Loan	
Type	Tax-Exempt Equity Bridge Loan
Loan Amount	\$30,529,000
Interest Rate	4.53%
Loan Term/Amortization	12 mo / interest only

4. Updated Development Plan

Description of Progress since Original Commitment.

The transaction is progressing towards a July 2024 closing.

5. Borrower Team

The Borrower team is the same as originally presented and approved in October, 2023.

Mortgagor Entity:	Clifton Place LLC
Developer / Sponsor:	Cambridge Housing Authority
General Partner / Managing Member:	Clifton Place Manager LLC
Construction Lender:	TD Bank, N.A.
Syndicator / Investor:	The Richman Group
Management Company:	Cambridge Housing Authority
Architect:	Baker Wohl Architecture
General Contractor:	Consigli Construction Co.

6. Summary of MassHousing-Sponsor Relationship	
Number of Projects with MassHousing Debt	1
Total Units with MassHousing Debt	198
Outstanding MassHousing Principal Debt	\$43,423,555
Adverse Actions Against the Borrower Team	No.
Current on Obligations with MassHousing	Yes.
Property Management Affiliate	Yes, CHA; manages properties in the CHA's portfolio and offers management services to properties outside of CHA's portfolio.

[Note: Not included in these portfolio statistics are Millers River, a long-term conduit loan, and Russell Apartments, a short-term conduit loan. Both developments are in compliance with the requirements of MassHousing's conduit loan program.]

MassHousing Staff	
Origination	Kathleen Evans, Originator Amanda Melick, Analyst Teddy Eleevia, Analyst
Underwriting	Doug O'Brien, Underwriter
Asset Management	Mildred Mukasa, Portfolio Manager Kate Joyce, Asset Manager

7. Unit Mix

Unit Size	Total Units	LIHTC-Eligible				Market Comparison
		30% AMI		60% AMI		
		<i>Count</i>	<i>Rent</i>	<i>Count</i>	<i>Rent</i>	<i>Rent</i>
1 BR	35	5	\$2,459	30	\$2,459	\$3,130
2 BR	71	10	\$2,936	61	\$2,936	\$3,670
3 BR	78	11	\$3,569	67	\$3,569	\$4,610
4 BR	10	2	\$3,928	8	\$3,928	\$5,150
5 BR	1	-		1	\$4,514	\$5,770
Total	195	28		167		

*Rent net of utility allowances

Project-Based Rental Subsidy	
Type	Section 8
Term	20 y
Administrator	Cambridge Housing Authority
Lesser of Section 8 and market rents	

8. Operating Overview

Underwritten OpEx	\$2,844,890 (approximately \$14,600 per unit)
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Basis of Operating Costs. Operating expense assumptions were based on the review of portfolio comparables.

9. Project Costs

Core Residential Costs	
Base	\$98,215,156
Extraordinary	\$70,361,870
Total	\$168,577,026
Commercial and Non-Residential Costs	
Commercial Costs	-
Site and Other Nonresidential Costs	\$1,961,449
Total	\$1,961,449
Total Development Cost	
Total	\$170,538,475

Project Construction Costs	
Total Construction Cost	\$135,516,182
Construction per Square Foot	\$555

Background on Extraordinary Residential Costs. The development budget includes significant extraordinary costs driven by the size of the Development and the needs of the residents served.

The pool of general contractors with capacity to complete a project of this scope is limited and, as such, all bids came in with higher per-square-foot costs than more moderately-sized developments.

Additionally, the Sponsor designed the unit mix to meet the needs of existing residents and households on the waiting list; as a result, nearly half of the units in the Development have three or more bedrooms (and two or more bathrooms).

Background on Commercial, Site and Other Non-Residential Costs. The demolition, site preparation, and infrastructure scope associated with the Development is substantial; just under \$2,000,000 of those costs, largely associated with roadways and landscaping, are carried in the development budget. Additionally, the shape and orientation of the site add complexity and costs.

10. Sources and Uses

Sources of Funds	Total
MassHousing Perm Loan	\$58,098,000
Federal LIHTC	\$79,527,496
Cambridge AHT	\$24,443,655
EOHLC	\$7,160,000
Accrued Interest	\$1,309,324
Total Sources	\$170,538,475

Core Residential Uses of Funds	Total	
		<i>Per Unit</i>
Acquisition	\$1,814,300	\$9,304
Construction	\$126,853,666	\$650,532
Construction Contingency	\$6,701,067	\$34,364
General Development	\$29,207,993	\$149,785
Overhead	\$2,000,000	\$10,256
Fee	\$2,000,000	\$10,256
Total Residential Uses	\$168,577,026	\$864,498

Base Costs		Extraordinary Costs	
	<i>Per Unit</i>		<i>Per Unit</i>
\$1,814,300	\$9,304	-	-
\$69,951,207	\$358,724	\$56,902,459	\$291,807
\$3,308,192	\$16,965	\$3,392,875	\$17,399
\$19,141,457	\$98,161	\$10,066,536	\$51,623
\$2,000,000	\$10,256	-	-
\$2,000,000	\$10,256	-	-
\$98,215,156	\$503,667	\$70,361,870	\$360,830

Commercial Uses	-
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Site and Other Nonresidential Uses	\$1,961,449
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Total Uses	\$170,538,475
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Please refer to Exhibit A for additional information on changes in sources and uses since the October 10, 2023 Loan Package.

11. First Year Income and Expenses

Income		
Rental Income – Project-Based Rental Subsidy		\$7,497,048
Gross Potential Residential Income		\$7,497,048
Vacancy – Project-Based Rental Subsidy	5.0%	(\$374,852)
Gross Residential Income		\$7,122,196
Other Income – Laundry		\$9,000
Effective Gross Income		\$7,131,196

Expenses		
Residential Operating Expenses		\$2,844,890
Net Operating Income		\$4,286,306
Debt Service		(\$3,739,209)
Cash Flow		\$547,097

Debt Service Coverage 1.15

Residential Operating Expense Detail			<i>Per Unit</i>
Management Fee	4.0%	\$285,248	\$1,463
Administrative Costs		\$517,535	\$2,654
Maintenance Costs		\$738,854	\$3,789
Resident Services		-	-
Security		\$18,148	\$93
Utilities (water and sewer, hot water)		\$493,661	\$2,532
Insurance		\$476,775	\$2,445
Taxes		\$81,674	\$419
Replacement Reserves		\$87,750	450
Mortgage Insurance Premium		\$145,245	\$745
Total		\$2,844,890	\$14,589

Operating Expenses as a Percent of EGI 39.9%

Please refer to Exhibit B for additional information on changes in income and expenses since the October 10, 2023 Loan Package.

12. Underwriting

Please refer to Exhibit C for the original October 10, 2023 Loan Package.

Underwriting Criteria and Loan Terms	Clifton Place (f/k/a Jefferson Park, Phase 1)	Underwriting Standards
1. DSCR	1.15x	Minimum of 1.10
2. Term/Amortization	40 y / 40 y	30-40 y, fully amortizing
1. LTV	83.5%	Maximum of 90% based on third party "as-proposed" investment value
2. Underwriting Rents	PB-Rental Subsidy contract or market supported rents	Lesser of: <ul style="list-style-type: none"> • PB-Rental Subsidy contract or market supported rents • Programmatic rent cap or rents supported by MassHousing market review.
3. Vacancy Allowance	5%	Minimum of: <ul style="list-style-type: none"> • 2.5% for PB – Rental Subsidy • 3.0% for LIHTC • 5.0% for unrestricted or workforce housing units
4. Affordability	40% at 60% AMI	Minimum of: <ul style="list-style-type: none"> • 20% at 80% of AMI for MassHousing Statute • 40% at 60% or 20% at 50% of AMI for loans with FHA Insurance, HUD/FFB, Tax-Exempt Bond, and/or Federal LIHTC
5. Annual Deposits to Replacement Reserves	\$360 unit / year	Minimum of: <ul style="list-style-type: none"> • \$360 unit / year (new construction) • \$500 unit / year (rehab) Note: Additional initial deposit to reserves may be required by the third party CNA to fund twenty-year capital needs.
6. Operating Expenses	Approximately \$14,600 unit / year	Typically, between \$11,000 and \$15,000 per unit.

13. Low-Income Housing Tax Credits

Please refer to Exhibit C for the original October 10, 2023 Loan Package.

**JP Clifton Place (f/k/a Jefferson Park, Phase 1)
VOTES AND FINDINGS**

PROPOSALS AND VOTES

Increase to Permanent Loan Authorization

Staff has reviewed the proposal for an increase to the permanent loan financing and proposes the following vote for approval:

VOTED: To approve the findings and determinations set forth below and to authorize an increase of up to \$78,000 to the permanent first mortgage loan previously authorized by the Members on October 10, 2023 (the “Original Board Vote”), such that the principal amount of the first mortgage loan shall be up to \$58,098,000, such first loan to be insured under the HUD HFA Risk Sharing Program, to be made to Clifton Place LLC or another single-purpose, sole-asset entity controlled by Cambridge Housing Authority (the “Borrower”) as owner of the multifamily residential development known as “JP Clifton Place” and located in Cambridge, Massachusetts (the “Development”), and in accordance with the applicable general closing standards and delegations of authority previously approved, and the conditions of the Original Board Vote 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:

195 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

The market needs data reflects the information available to A&M staff as of the date of collection June 28, 2024. Further, the reader is cautioned and reminded that any observations, comparisons, and/or conclusions are based on the data as of the indicated collection date.

In-house data for larger market and mixed-income complexes (approximately 1,003 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 96.8%, and range between 93.4% and 99%. None of the comparables were offering rental concessions.

CoStar data for the subject's Alewife Multi-Family submarket (5,635 units) has an overall vacancy rate at 10.5% YTD, which is an increase of 4.45% from one year ago. CoStar data for the Boston market (276,484 units) has an overall vacancy rate of 5.3% YTD, which is an increase of .46% from one year ago. The rate for the Alewife submarket is projected to decrease to 6.4% over the next five years, while the Boston Market is projected to decrease to 5.0%.

CoStar, submarket data for the 4-5 Star building type (3,650 units) indicates a 2nd Qtr. 2024 vacancy rate of 14% and an average asking rent of \$3,506, while submarket data for the subject's 3 Star building type (987 units) indicates a 2nd Qtr. 2024 vacancy rate of 3.3% at an average asking rent of \$2,994. 1-2 Star buildings (728 units) indicate a 2nd Qtr. 2024 vacancy rate of 3.2% at an average asking rent of \$2,589. 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 Executive Office of Housing and Livable Communities (EOLC) Chapter 40B Subsidized Housing Inventory (06/29/23), the City of Cambridge has 53,467 year-round housing units, 6,896 (12.9%) 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 there the number of unique applicants' households across all lists are 11,641 applicants for CHA housing units, 1,217 applicants for Single Room Occupancy units and 16,994 applicants for CHA vouchers.

U. S. Census data from the 2017-2021 American Community Survey (ACS) indicates that of the 50,861 households in the City of Cambridge, approximately 74.4% earned less than the HUD published 2024 AMI (\$148,900), approximately 37.0% earned less than 50% of 2024 AMI, approximately 48.4% earned less than 60% of the 2024 AMI and approximately 65% earned less than 80% of the 2024AMI.

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.

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	5
Number of Units	35	71	78	10	1
Net SF/Unit	500	800	1,300	1,600	2,080
Elev./Non-Elev.	Y	Y	Y	Y	Y
Market Rate Rent (10% Rate 20 Yr Term)	\$3,798	\$4,260	\$4,876	\$5,224	\$5,811
MHFA Below Market Rent (Cost-Based Rent)	\$2,521	\$2,983	\$3,599	\$3,947	\$4,534
MHFA Adjusted Rent	30% of Income				
Underwriting Rents					
Section 8 Rents at 30% AMI	\$2,521	\$2,983	\$3,599	\$3,947	\$4,534
Section 8 Rents at 60% AMI	\$2,521	\$2,983	\$3,599	\$3,947	\$4,534

* Rents net of utility allowances.

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.

**EXHIBIT A
COMPARISON SOURCES AND USES**

Sources of Funds	October 2023	July 2024	<i>Difference</i>
MassHousing Perm Loan	\$58,020,000	\$58,098,000	\$78,000
Federal LIHTC	\$77,891,930	\$79,527,496	\$1,635,566
Cambridge AHT	\$26,176,027	\$24,443,655	(\$1,732,372)
EOHLC	\$7,160,000	\$7,160,000	\$0
Accrued Interest	\$1,171,109	\$1,309,324	\$138,215
Total Sources	\$170,419,066	\$170,538,475	\$119,409

Core Residential Uses of Funds	October 2023	July 2024	<i>Difference</i>
Acquisition	\$1,923,880	\$1,814,300	(\$109,580)
Construction	\$129,038,501	\$126,853,666	(\$2,184,835)
Construction Contingency	\$6,550,000	\$6,701,067	\$151,067
General Development	\$27,108,042	\$29,207,993	\$2,099,951
Overhead	\$1,918,572	\$2,000,000	\$81,428
Fee	\$1,918,572	\$2,000,000	\$81,428
Total Residential Uses	\$168,457,567	\$168,577,026	\$119,459

Commercial Uses	N/A	N/A	N/A
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Site and Other Nonresidential Uses	\$1,961,449	\$1,961,449	-
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Total Uses	\$170,419,016	\$170,538,475	\$119,459
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**EXHIBIT B
COMPARISON INCOME AND EXPENSES**

Income	October 2023	July 2024	<i>Difference</i>
Rental Income – PB Rental Subsidy	\$7,400,364	\$7,497,048	\$96,684
Gross Potential Residential Income	\$7,400,364	\$7,497,048	\$96,684
Vacancy – PB Rental Subsidy	(\$185,009)	(\$374,852)	(\$189,843)
Gross Residential Income	\$7,215,355	\$7,122,196	(\$93,159)
Other Income - Laundry	\$8,000	\$9,000	\$1,000
Effective Gross Income	\$7,223,355	\$7,131,196	(\$92,159)

Expenses	October 2023	July 2024	<i>Difference</i>
Residential Operating Expenses	\$2,472,767	\$2,844,890	\$372,123
Net Operating Income	\$4,750,588	\$4,286,306	(\$464,282)
Debt Service	(\$4,160,796)	(\$3,739,209)	\$421,587
Cash Flow	\$589,792	\$547,097	(\$42,695)

Debt Service Coverage	1.14x	1.15x
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EXHIBIT C
LOAN COMMITMENT PROPOSAL

October 10, 2023

Loan Commitment Proposal | October 10, 2023

Clifton Place (f/k/a Jefferson Park, Phase 1)

1. General Project Information	
Project Name	Clifton Place (f/k/a Jefferson Park, Phase 1)
Project ID	21-012
Associated Projects	Jackson Place (f/k/a Jefferson Park Phase 3)
Address(es)	1 Jackson Place, Cambridge, MA 02140
Sponsor	Cambridge Housing Authority
Transaction Type	Preservation and Production (4%)
Funding Type	Forward Commitment of Permanent Loan
Execution Type	Portfolio (TE)
Credit Enhancement	HUD/FHA Risk-Sharing with 50% credit risk
Approval Type	Board
Total Rental Units	195
Affordability Mix	195 Affordable

2. Recommended Actions

- Commitment of Permanent Tax-Exempt Loan
- Commitment of Tax-Exempt Bridge Loan
- Approval for the Use of Low-Income Housing Tax Credits

The proposed financing will support the construction of Clifton Place (f/k/a Jefferson Park, Phase 1) (the “Development”), a proposed 195-unit development in North Cambridge. The Development will include four buildings and is the first phase of the two-phase redevelopment of Jefferson Park Federal, and will be followed by Jackson Place, which will add an additional 80 units in two buildings. The original public housing complex included 175 units in a mix of low- and mid-rise buildings and was constructed in 1951.

Clifton Place will replace 132 units with 195 units, all of which will be developed under the Faircloth-to-RAD Program; Jackson Place will be the following phase and will replace 43 units with 83 units. In 2019, as a result of chronic water infiltration issues and resulting mold issues, the buildings were deemed “beyond repair” under the Section 18 Demolition and Disposition Standards. All residents have been relocated offsite and demolition – the cost of which is being carried outside of the transaction contemplated in this proposal, and paid for by the Sponsor and the City of Cambridge – began in summer 2023. All 278 of the new units will be developed under the Faircloth-to-RAD program.

3. MassHousing Financing

First Loan	
Type	Permanent
Loan Amount	\$58,020,000
Interest Rate	30-Year MMD plus 252 basis points (bps) to be locked at Construction Loan Closing (processing rate of 6.67% assumed for underwriting)
Loan Term / Amortization	40 y / 40 y
Term of Fwd Commitment	30 mo
Year 1 DSCR	1.14
LTV	79%
Equity Bridge Loan	
Type	Tax-Exempt
Loan Amount	\$26,980,000
Interest Rate	7.52% projected
Loan Term/Amortization	12 mo / interest only

4. Development Plan

Description of Site. The Development will be constructed on a 5.36-acre portion of the seven-acre parcel in North Cambridge currently occupied by Jefferson Park Federal (the “Site”). The Site is close to Route 2, the Alewife MBTA station, and bus routes as well as retail, commercial, and educational opportunities.

Description of Existing or Proposed Building. Clifton Place will include four four-story buildings, three of which will include elevators, and one building will be a walk-up.

Description of Affordability Mix. All 195 units will be subject to income restrictions. Twenty-eight (28) of the units will be set-aside for households earning up to 30% of Area Median Income (“AMI”) and one-hundred and sixty-seven (167) units will be set-aside for households earning up to 60% of AMI.

All 195 units will benefit from a new Project-Based Section 8 HAP contract through the Faircloth-to-Rental Assistance Demonstration (“Faircloth-to-RAD”) conversion process which allows housing authorities with existing Faircloth Authority to construct new public housing units that will be converted to project-based Section 8 subsidies during the development and stabilization process.

The Sponsor will use the flexibility granted under the Moving to Work (“MTW”) Demonstration Program to augment the contract rent levels for all 195 units to the levels detailed in this proposal.



Site Control. The Site is currently owned by the Cambridge Housing Authority (CHA). For the revitalization of Clifton Place, a 99-year ground lease from the CHA will be provided to the mortgagor/owner Clifton Place LLC.

5. Borrower Team

Mortgagor Entity: Clifton Place LLC

Clifton Place LLC is a sole-asset, single-purpose entity formed for the purposes of owning and operating the Development.

Developer / Sponsor: Cambridge Housing Authority

The Cambridge Housing Authority (CHA) provides rental housing and rental assistance to more than 5,500 low-income families, elders and disabled individuals through its public housing and Housing Choice Voucher (Section 8) Programs.

General Partner / Managing Member: Clifton Place Manager LLC

All of the membership interests in Clifton Place Manager LLC are held by Kennedy Management, Inc., a Massachusetts nonprofit corporation (“KMI”) whose board consists of the executive director and five commissioners of the Cambridge Housing Authority.

Construction Lender: TD Bank, N.A.

TD Bank’s community development lending platform support the affordable housing for low- or moderate-income individuals; community services for low- or moderate-income individuals; activities that promote economic development by providing financing for small businesses or small farms; and activities that revitalize or stabilize low- to moderate-income neighborhoods designated disaster areas or distressed or underserved non-metro middle-income areas.

Syndicator: The Richman Group

Since its inception in 1986, The Richman Group has thrived and is now consistently ranked as one of the Top 10 largest residential apartment portfolios in the United States. The Firm, through its 12 offices located nationally, conducts a wide range of development, equity investment, mortgage financing, asset management and property management activities. The Richman Group has a major presence in both the luxury rental apartment and affordable housing sectors.

Management Company: Cambridge Housing Authority

The Cambridge Housing Authority manages over 50 housing developments containing approximately 3,000 units of housing and administers approximately 5,000 Housing Choice vouchers.

Architect: Baker Wohl Architecture

Baker Wohl Architecture (“BWA”) was formed in 1993 and is a full-service architectural firm comprised of 20 architects, designers, construction representatives, and support staff and is located in Boston. Over the past 17 years, BWA has completed more than 50 design and construction administration projects for CHA.



General Contractor: Consigli Construction Co.

Consigli is one of the largest employee-owned construction managers in the Northeast and Mid-Atlantic. Staffed by more than 1,600 employees, with ten regional offices across the east coast from Maine to DC, and upward of \$2.3 billion in annual volume, Consigli has expanded its roots, while maintaining its core competencies with more than 650 skilled carpenters, laborers, and masons on staff.

6. Summary of MassHousing-Sponsor Relationship	
Number of Projects with MassHousing Debt	1
Total Units with MassHousing Debt	198
Outstanding MassHousing Principal Debt	\$43,423,555
Adverse Actions Against the Borrower Team	No.
Current on Obligations with MassHousing	Yes.
Property Management Affiliate	Yes, CHA; manages properties in the CHA's portfolio and offers management services to properties outside of CHA's portfolio.

[Note: Not included in these portfolio statistics are Millers River, a long-term conduit loan, and Russell Apartments, a short-term conduit loan. Both developments are in compliance with the requirements of MassHousing's conduit loan program.]

MassHousing Staff	
Origination	Amanda Melick, Originator Kathleen Evans, Analyst
Underwriting	Doug O'Brien, Underwriter Matt Schoenberg, Analyst
Asset Management	Mildred Mukasa, Portfolio Manager Kate Joyce, Asset Manager

7. Unit Mix

Unit Size	Total Units	LIHTC-Eligible				Market Comparison
		30% AMI		60% AMI		
		<i>Count</i>	<i>Rent</i>	<i>Count</i>	<i>Rent</i>	<i>Rent</i>
1 BR	35	5	\$2,459	30	\$2,459	\$3,130
2 BR	71	10	\$2,936	61	\$2,936	\$3,670
3 BR	78	11	\$3,569	67	\$3,569	\$4,610
4 BR	10	2	\$3,928	8	\$3,928	\$5,150
5 BR	1	-		1	\$4,514	\$5,770
Total	195	28		167		

- Rents net of utility allowances

Project-Based Rental Subsidy	
Type	Section 8
Term	20 y
Administrator	Cambridge Housing Authority
Lesser of Section 8 and market rents	

8. Operating Overview

Underwritten Operating Expenses	\$2,472,300 (approximately \$12,700 per unit)
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Basis of Operating Costs. Borrower’s submission and review of portfolio comparables.

9. Project Costs

Core Residential Costs	
Base	\$98,095,697
Extraordinary	\$70,361,870
Total	\$168,457,567
Commercial, Site and Other Non-Residential Costs	
Commercial Costs	-
Site and Other Non-Residential Costs	\$1,961,449
Total	\$1,961,449
Total Development Cost	
Total	\$170,419,066

Project Construction Costs	
Total Construction Cost	\$137,550,000
Construction per Square Foot	\$563

Background on Extraordinary Residential Costs. The development budget includes significant extraordinary costs driven by the size of the Development and the needs of the residents served.

The pool of general contractors with capacity to complete a project of this scope is limited and, as such, all bids came in with higher per-square-foot costs than more moderately-sized developments.

Additionally, the Sponsor designed the unit mix to meet the needs of existing residents and households on the waiting list; as a result, nearly half of the units in the Development have three or more bedrooms (and two or more bathrooms).

Background on Commercial, Site and Other Non-Residential Costs. The demolition, site preparation, and infrastructure scope associated with the Development is substantial; just under \$2,000,000 of those costs, largely associated with roadways and landscaping, are carried in the development budget. Additionally, the shape and orientation of the site add complexity and costs.

10. Sources and Uses

Sources of Funds	Total
MassHousing Perm Loan	\$58,020,000
Federal LIHTC	\$77,891,930
Cambridge AHT	\$26,176,027
EOHLC	\$7,160,000
Accrued Interest	\$1,171,109
Total Sources	\$170,419,066

Core Residential Uses of Funds	Total	
		<i>Per Unit</i>
Acquisition	\$1,923,880	\$9,866
Construction	\$129,038,501	\$661,736
Construction Contingency	\$6,550,000	\$33,590
General Development	\$27,108,042	\$139,016
Overhead	\$1,918,572	\$9,839
Fee	\$1,918,572	\$9,839
Total Residential Uses	\$168,457,567	\$863,885

Base Costs		Extraordinary Costs	
	<i>Per Unit</i>		<i>Per Unit</i>
\$1,923,880	\$9,866	-	-
\$72,136,042	\$369,928	\$56,902,459	\$291,807
\$3,157,125	\$16,190	\$3,392,875	\$17,399
\$17,041,506	\$87,392	\$10,066,536	\$51,623
\$1,918,572	\$9,839	-	-
\$1,918,572	\$9,839	-	-
\$98,095,697	\$503,055	\$70,361,870	\$360,830

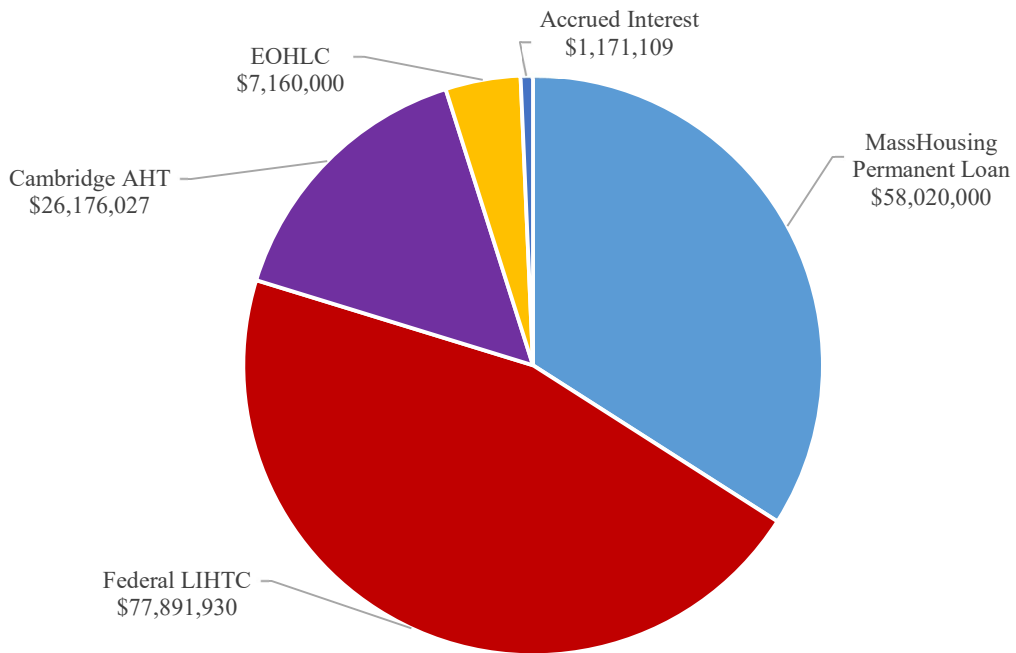
Commercial Uses*	-
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Site and Other Nonresidential Uses*	\$1,961,449
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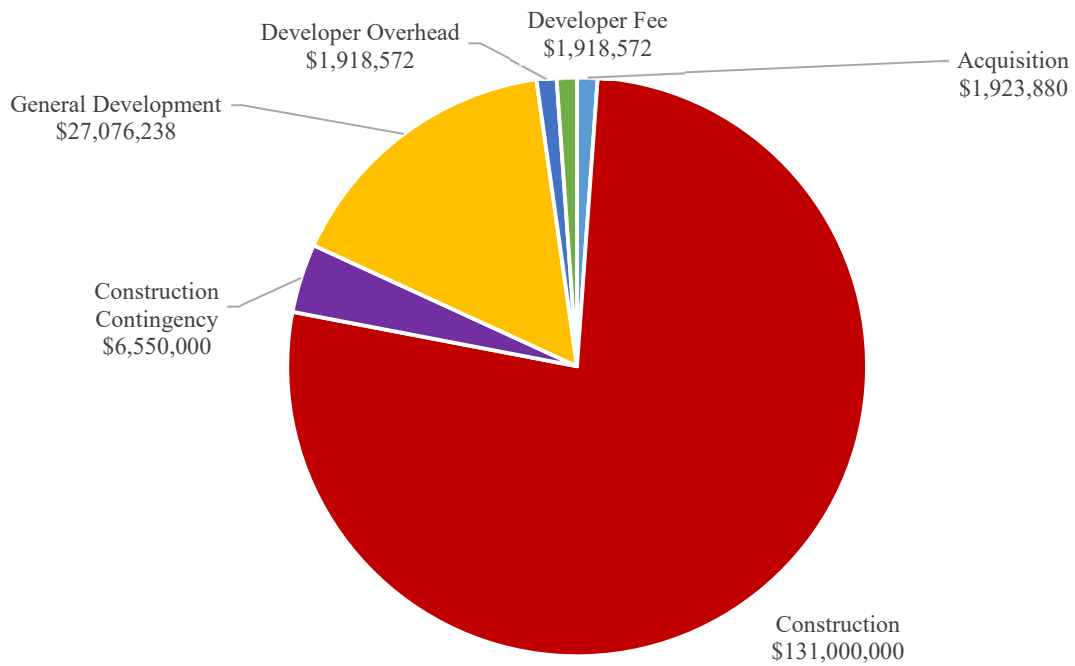
Total Uses	\$170,419,066
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*Includes applicable hard costs, contingency, soft costs, overhead and fee.

Total Sources



Total Uses



11. First Year Income and Expenses

Income		
Rental Income – Project-Based Rental Subsidy		\$7,400,364
Vacancy – Project-Based Rental Subsidy	2.5%	(\$185,009)
Gross Residential Income		\$7,213,355
Other Income – Laundry		\$8,000
Effective Gross Income		\$7,223,355

Expenses		
Residential Operating Expenses		\$2,472,767
Net Operating Income		\$4,750,588
Debt Service		(\$4,160,796)
Cash Flow		\$589,792

Debt Service Coverage 1.14

Residential Operating Expense Detail			<i>Per Unit</i>
Management Fee	4.00%	\$288,934	\$1,482
Administrative Costs		\$523,092	\$2,683
Maintenance Costs		\$702,407	\$3,602
Security		\$2500	\$13
Utilities (water and sewer, hot water)		\$475,849	\$2,440
Insurance		\$200,000	\$1,026
Taxes		\$64,735	\$332
Replacement Reserves		\$68,250	\$350
Mortgage Insurance Premium		\$145,050	\$744
Total		\$2,472,767	\$12,681

Operating Expenses as a Percent of EGI 34.2%

12. Underwriting

- 1. Equity at Risk Closing.** Following the MassHousing commitment, MassHousing will provide the Development Team with a conditional bond comfort letter stating that the committed tax-exempt loans will be included in MassHousing's first 2024 bond issuance, to the extent that MassHousing receives an allocation of tax-exempt volume cap from the Commonwealth of Massachusetts for the year 2024.

Upon receipt of the financing commitment and the comfort letter, the Sponsor and the Syndicator plan to finalize all syndication documents prior to the end of the calendar year to the extent deemed sufficient and necessary to allow the two end-Investors, Santander Bank and TD Bank, to claim 2023 Community Reinvestment ("CRA") credits.

MassHousing has reserved its right to review, revise and amend these equity documents in conjunction with the closing and execution of MassHousing's Permanent Loan Agreement, in order to ensure that MassHousing General Closing Standards are incorporated into such equity documents.

- 2. Delayed Investor Admission.** Among other requirements, MassHousing's General Closing Standards require that at the construction closing, the equity investor make a capital contribution of at least 15% of the total federal tax credit equity amount and be admitted as a limited partner or investor member of the Borrower entity. The Sponsor has proposed, and this commitment proposal reflects, a structure which relies on MassHousing's Delayed Investor Admission Policy and deviates from the General Closing Standards in two ways:
 - (i) at Construction Closing, the equity investor will provide just 10% of the total federal tax credit equity amount, and
 - (ii) the equity investor's initial contribution will be in the form of a loan. The equity investor will not be admitted as limited member until 75% construction completion.

At the time of the equity investor's admission, the 10% loan will be swapped out for 10% equity, and the equity investor will make another capital contribution of 5% resulting in 15% of total tax credit equity contributions. Approximately 64% of the tax credit equity will have been advanced when MassHousing funds its loan. Deviation from the standard structure allows the Sponsor to use its non-profit status to purchase certain goods, including but not limited to, construction materials, under its tax exemption which will yield cost savings to the Development.

- 3. EOHLIC Soft Debt.** The Sponsor has submitted financing applications into the EOHLIC mini-round. In the event that these applications are not funded, prior to closing, the Sponsor will provide sponsor loans in amounts necessary for project viability.

- 4. Capitalized Reserves.** The Sponsor has requested the following deviations from the standard operating reserve requirements:
- (i) that the 6% (\$3,400,000) operating reserve be reduced to 4.0% of the permanent loan amount (\$2,300,000), and
 - (ii) that the reserves are capitalized outside of the development budget contemplated in this proposal.

Staff recommends approval of the 4% operating reserve given the minimal lease-up risk due to the CHA's substantial waiting list and the right of displaced Jefferson Park residents to return to the rebuilt Clifton Place.

Staff are evaluating the CHA's proposal to capitalize the reserve outside of the Development budget to ensure that the proposal does not pose an undue burden or risk to the Agency. Final approval of the request will be necessary to close. In the event that MassHousing does not approve of this structure, the Development budget will be revised to include capitalization of operating reserves.

- 5. Local Restriction.** MassHousing approval of the local tenant selection preferences, the local affordable housing overlay zoning restrictions, and any other application local restrictions, shall be a condition to close.
- 6. Real Estates Taxes.** The property will benefit from Chapter 121A and Section 6A agreements with respect to real estate taxes, which have been approved by the City through the Chapter 121A application process. The agreements will be executed prior to construction closing.
- 7. Third Party Reports.** The MassHousing "As Is" and "As-Improved" appraisals have been commissioned. To the extent the "As-Improved" appraisal changes underwritten rents and/or loan-to-value, the loan amount will be adjusted accordingly. An updated Phase 1 Environmental Site Assessment may be required so that it is valid within 180 days from construction closing.

Underwriting Criteria and Loan Terms	Clifton Place	Underwriting Standards
1. DSCR	1.14x	Minimum of 1.10
2. Term/Amortization	40 y / 40 y	30-40 y, fully-amortizing
3. Loan to Value	79%	Maximum of 90% based on third party "as-proposed" investment value
4. Underwriting Rents	PB-Rental Subsidy contract or market supported rents	Lesser of: <ul style="list-style-type: none"> • PB-Rental Subsidy contract or market supported rents • Programmatic rent cap or rents supported by MassHousing market review.
5. Vacancy Allowance	2.5%	Minimum of: <ul style="list-style-type: none"> • 2.5% for PB – Rental Subsidy • 3.0% for LIHTC • 5.0% for unrestricted or workforce housing
6. Affordability	40% at 60% AMI	Minimum of: <ul style="list-style-type: none"> • 20% at 80% of AMI for MassHousing Statute • 40% at 60% or 20% at 50% of AMI for loans with FHA Insurance, HUD/FFB, Tax-Exempt Bond, and/or Federal LIHTC
7. Annual Deposits to Replacement Reserves	\$360 unit / year	Minimum of: <ul style="list-style-type: none"> • \$360 unit / year (new construction) • \$500 unit / year (rehab) Note: Additional initial deposit to reserves may be required by the third-party CNA to fund twenty-year capital needs.
8. Operating Expenses	Approximately \$12,700 unit / year	Typically, between \$11,000 and \$15,000 per unit.

13. Low-Income Housing Tax Credits

The Developer has included in its financing proposal a request for the use of 4% Low-Income Housing Tax Credits (the “4% Credits”). The 4% Credits may be utilized as a result of the funding of a portion of the financing with tax-exempt bonds or notes of MassHousing which are to be issued under Section 142 of the Internal Revenue Code of 1986, as amended (the “Code”) and are subject to a volume capacity allocation under Section 146 of the Code.

Use of the 4% Credits must be approved by EOHLC as the “housing credit agency” under Section 42 of the Code who must make the determination required under Section 42(m)(1)(D) of the Code that the development and financing proposal meets the requirements of the Commonwealth’s Qualified Allocation Plan. In addition, MassHousing, as the issuer of tax-exempt obligations which generate the 4% Credits must determine under Section 42(m)(2)(D) of the Code that the amount of 4% Credits does not exceed the amount necessary for the financial feasibility and long-term viability of the development. Such determination shall be made applying the standards set forth in the proposed Board vote herein, as required by Section 42(m)(2)(B) of the Code.

Clifton Place VOTES AND FINDINGS

PROPOSALS AND VOTES

Mortgage Loans

Staff has reviewed the proposal for permanent and equity bridge financing and proposed the following votes for approval:

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 \$58,020,000, such first loan to be insured under the HUD FHA Risk Sharing Program; and (b) an equity bridge mortgage loan in a principal amount up to \$26,980,000 in each case to be made to Clifton Place LLC or another single-purpose entity controlled by the Cambridge Housing Authority (the “Borrower”) as owner of the multifamily residential development known as “Clifton Place” (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: None.

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 “Clifton Place” (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 Management, 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.

**FURTHER
VOTED:**

That MassHousing authorizes the Executive Director or her designee to permit the Borrower and management agent of the Development to use as its tenant selection plan an Administrative Plan prepared and approved by Cambridge Housing Authority, subject to review and approval by MassHousing's Director of Rental Management.

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:

195 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

The market needs data reflects market conditions as of the date of collection on September 14, 2023. The data is not subject to unanticipated events and circumstances that may occur after this date. Specifically, the subject's market area remains susceptible to the impacts of local, national, and international events that may include, but are not limited to, the effects of COVID-19, rising interest rates, or Russia's invasion of Ukraine. Further, the reader is cautioned and reminded that the conclusions presented apply only as of the collection date.

In-house data for larger market and mixed-income complexes (approximately 945 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 96.8%, and range between 93.4% and 99%. One of the comparables was offering a rent concession of a ½ months' free rent.

CoStar data for the subject's Alewife Multi-Family submarket (4,832 units) has an overall vacancy rate at 4.5% YTD, which is a decrease of 4.12% from one year ago. CoStar data for the Boston market (267,877 units) has an overall vacancy rate of 5.5% YTD, which is an increase of .82% from one year ago. The rate for the Alewife submarket is projected to increase to 5.9% over the next five years, while the Boston Market is projected to stay at 5.3%.

CoStar, submarket data for the 4-5 Star building type (3,125 units) indicates a 3rd Qtr. 2023 vacancy rate of 4.9% and an average asking rent of \$3,451, while submarket data for the subject's 3 Star building type (987 units) indicates a 3rd Qtr. 2023 vacancy rate of 3.1% at an average asking rent of \$2,948. 1-2 Star buildings (720 units) indicate a 3rd Qtr. 2023 vacancy rate of 3.2% at an average asking rent of \$2,387. 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 Executive Office of Housing and Livable Communities (EOHLC) Chapter 40B Subsidized Housing Inventory (06/29/23), the City of Cambridge has 53,467 year-round housing units, 6,896 (12.9%) 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 there the number of unique applicant households across all lists are 11,641 applicants for CHA housing units, 1,217 applicants for Single Room Occupancy units and 16,994 applicants for CHA vouchers.

U. S. Census data from the 2017-2021 American Community Survey (ACS) indicates that of the 50,861 households in the City of Cambridge, approximately 74.6% earned less than the HUD published 2023 AMI (\$149,300), approximately 37.0% earned less than 50% of 2023 AMI, approximately 44.4% earned less than 60% of the 2023 AMI and approximately 59.1% earned less than 80% of the 2023 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.

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:

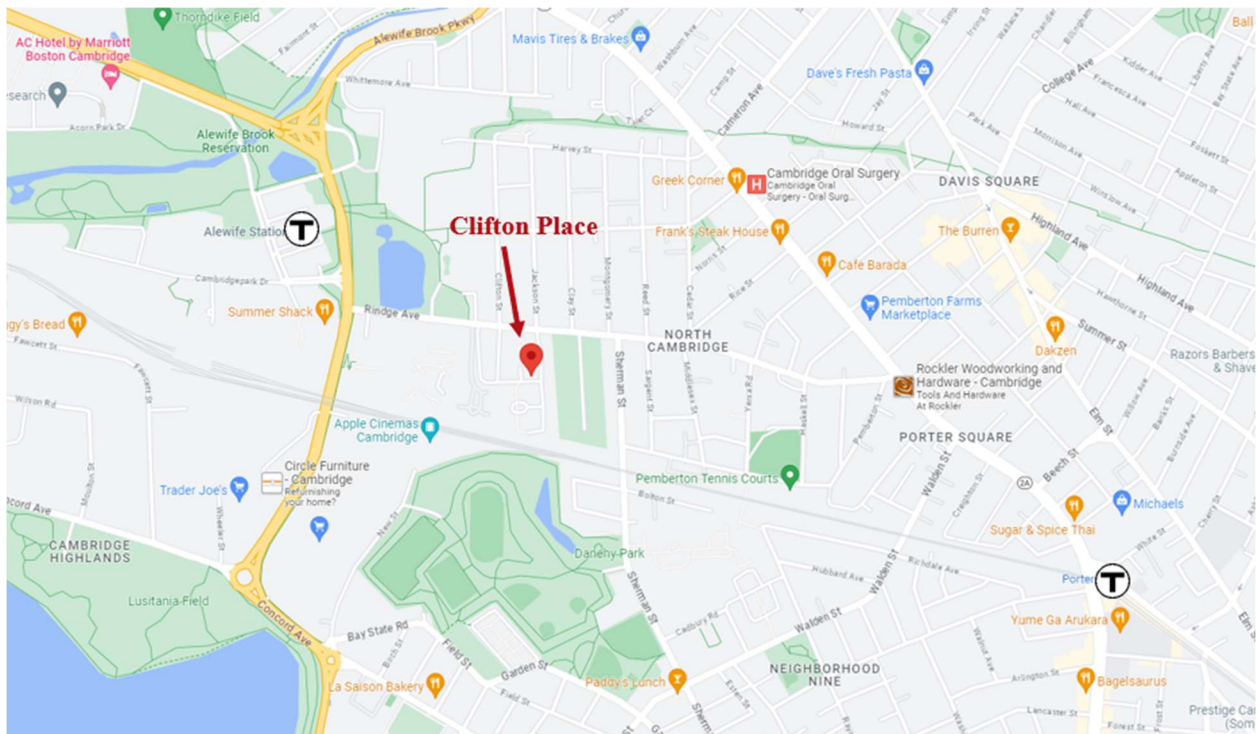
Rent Schedule:

Number of Bedrooms	1	2	3	4	5
Number of Units	35	71	78	10	1
Net SF/Unit	550	800	1,300	1,600	2,080
Elev./Non-Elev.	Y	Y	Y	Y	Y
Market Rate Rent (10% Rate 20 Yr Term)	\$3,552	\$4,029	\$4,662	\$5,021	\$5,607
MHFA Below Market Rent (Cost-Based Rent)	\$2,459	\$2,936	\$3,569	\$3,928	\$4,514
MHFA Adjusted Rent	30% of Income				
Underwriting Rents					
Section 8 at 30% AMI	\$2,459	\$2,936	\$3,569	\$3,928	\$4,514
Section 8 at 60% AMI	\$2,459	\$2,936	\$3,569	\$3,928	\$4,514

- Rents net of utility allowances

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.

MAP AND PICTURES



Delinquency Summary Report



Jun 30, 2024

Delinquencies in Excess of: \$1,000
Monthly Billed Loans

Program Type	Principal Program Detail	Number of Developments	Project Outstanding Loan Amount	Developments Delinquent	Delinq Outstanding Loan Amount	Pct \$ Delinq Loans	Pct # Delinquent Loans
Other	Elder CHOICE	3	\$12,077,340	0	\$0	0.00%	0.00%
	Mixed Income	33	\$613,421,511	0	\$0	0.00%	0.00%
	Options for Independence	17	\$514,700	0	\$0	0.00%	0.00%
	RDAL Only	1	\$18,891,638	0	\$0	0.00%	0.00%
Other - Total		54	\$644,905,189	0	\$0	0.00%	0.00%
Section 8	Loan Mgmt Set Aside	27	\$776,851,043	0	\$0	0.00%	0.00%
	New Construction	84	\$1,403,162,562	0	\$0	0.00%	0.00%
	Sec 8 Project-Based	6	\$145,277,495	0	\$0	0.00%	0.00%
	Substantial Rehab	65	\$914,496,729	0	\$0	0.00%	0.00%
Section 8 - Total		182	\$3,239,787,829	0	\$0	0.00%	0.00%
SHARP - RDAL	SHARP and RDAL	2	\$35,587,677	0	\$0	0.00%	0.00%
	SHARP Only	3	\$24,293,509	1	\$5,221,170	21.49%	33.33%
SHARP - RDAL - Total		5	\$59,881,186	1	\$5,221,170	8.72%	20.00%
Mixed Financing	4% Credits	60	\$571,492,930	1	\$33,825,580	5.92%	1.67%
	9% Credits	55	\$185,430,001	0	\$0	0.00%	0.00%
	Internally Subsidized	16	\$317,997,068	0	\$0	0.00%	0.00%
	Miscellaneous	50	\$553,770,844	0	\$0	0.00%	0.00%
	Other Soft Debt	1	\$755,601	0	\$0	0.00%	0.00%
Mixed Financing - Total		182	\$1,629,446,444	1	\$33,825,580	2.08%	0.55%
Overall - Total		423	\$5,574,020,648	2	\$39,046,750	0.70%	0.47%

Delinquency Detail



Jun 30, 2024
Delinquencies in Excess of: \$1,000

4% Tax Credits

Principal Program Code	Project Id - Development Name	City/Town	Total Rental Units	Project Outstanding Loan Amount	Total Due & Uncollected	Past Due Installments
TCRED4	16-004 PACIFIC MILLS PHASE I	Lawrence	180	\$33,825,580	\$17,747,560	18

SHARP Only

Principal Program Code	Project Id - Development Name	City/Town	Total Rental Units	Project Outstanding Loan Amount	Total Due & Uncollected	Past Due Installments
SHARP	87-038 BROOKS SCHOOL-BOSTON	Boston - Dorchester	56	\$5,221,170	\$290,761	9
Overall - Total			236	\$39,046,750	\$18,038,321	

Comments Detail



Jun 30, 2024

Delinquencies in Excess of: \$1,000

Program Desc	Program Code	Project Id - Development Name	City	Number of Units	Current Principal Balance	Forbearance Start Date	Forbearance Expire Date
Internally Subsidized	INTERN	85-016 HEBRONVILLE MILL	Attleboro	83	\$11,825,874.99	Jul 31, 2020	Jan 1, 2027
Total		Number of Devs: 1			\$11,825,874.99		