Minutes of the Regular Meeting
of the Members of
MassHousing
held on March 10, 2020

The regular meeting of the Massachusetts Housing Finance Agency – doing business as MassHousing was held on March 10, 2020 at MassHousing's offices located at One Beacon Street in Boston, Massachusetts. In attendance were:

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

Members Not Present
Patricia McArdle
Jerald Feldman

Staff

Chrystal Kornegay
Colin McNiece
Laurie Bennett
Maureen Burke
Kathleen Evans
Greg Watson
Max Glikman
Joseph Hughes
Kelly Johnson
Anne MacPherson
Lynn Shields
Joseph Mullen
Bill Corvene
Kathy Connolly
Bethany Wood
Amanda Melick
Matt Deych
Jeffrey Bolivar
Jeff Geller
Shelby Rosenberg
Cynthia Fernandes
Paul Mulligan
Mary Magliozzi
Murcia Kelly
Deepak Karamcheti
Paul Hagerty
Henry Mukasa
Mark Teden
Paul Scola
Eric Gedstad
Tom Farmer
Paul McMorrow
Mounzer Aylouche
Cynthia Lacasse
Jennifer Foley
Rachel Madden
Nancy McDonald
Sergio Ferreira
Kevin Mello
Maria Caceres
Luz Garcia Bonilla
Anna Reppucci
Belmira Fallon
Joe McNiff
Ricky Ochilo
Mike Carthas
James Fortune
Andrea Laing
Myra Carmona
Jennifer Rajala

Rachel Carlson

Guests

Mark Migliacci, Chase
George Jaeger, BAMC
John Malpiede, Citi
John Giammarino, Citi

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

VOTED: That the minutes of the meeting held on February 11, 2020 are hereby approved and placed on record.

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

Executive Director's Report

Ms. Kornegay began by discussing MassHousing's pandemic response. Ms. Kornegay thanked Jen Foley for her hard work in developing the pandemic response plan. The pandemic response plan we will put in place will ensure staff and vendors are kept safe. MassHousing has also developed a new employee sick leave policy. Employees will be able to utilize additional leave until the pandemic threat is removed. If an employee has been diagnosed with the coronavirus, the employee will need to have a medical certificate in order to return to work.

Carolina Avellaneda asked if employees would be expected to work from home. Jen Foley replied essential employees would be expected to work from home while others may be put on leave, depending on their role. Andy Silins stated if things get bad, employees should be encouraged to work from home. Chairman Dirrane asked if everyone is set up with the technology to work from home. Carolina Avellaneda asked if employees can work from home would they be expected to work from home and not take leave.

Colin McNiece noted employees can take their own sick leave in addition to this pandemic response plan. Both the plan and the policy give discretion in that regard.

A discussion of the pandemic response policy followed. Carolina Avellaneda asked how board meetings will be held during this time. Ms. Kornegay responded we do not have the ability to teleconference board meetings under the open meeting law. If a pandemic is declared, we will cancel the board meetings. A discussion was had regarding whether or not a physical quorum would be required in order to hold a board meeting. Carolina Avellaneda questioned if public participation would be required and would we be capable of televising the board meetings. Chairman Dirrane also mentioned Italy has put a moratorium on mortgage payments and stated we need to determine how the Agency would be affected should such a moratorium occur here. Carolina Avellaneda suggested convening a Management Committee meeting to discuss these issues.

Votes to Approve a Communicable and Transmittable Disease Employee Workforce Policy/Emergency Sick Leave Policy

In light of current events with respect to the COVID-19 virus, Agency staff has been updating and preparing policies and procedures so that the important work of the Agency can continue as necessary during a pandemic or emergency situation. Agency staff has determined that having a policy in place with respect to communicable/transmittable diseases is necessary to protect employees in the workplace. Therefore, Agency staff is recommending adoption of the policy attached to this memorandum (the “Policy”), with such minor changes as may be approved by the Executive Director. The Policy reminds employees to take sick or other leave in accordance with Agency policy when sick, and gives the Vice President of Talent and Culture, the Chief Operating Officer and the Executive Director the ability to require certain employees to stay home or work from home if there is a potential for a threat to other employees. The Policy also includes an emergency sick leave policy that would give the Executive Director the ability to grant all nonessential personnel immediate emergency sick leave, with pay, for two-week periods up to a maximum of six weeks in the event of a pandemic. Upon a motion duly made and seconded, it was

VOTED: To authorize the adoption of the following Emergency Sick Leave Policy attached as Exhibit A (the “Policy”), with such minor changes to the Policy as may be required by the Executive Director.

EXHIBIT A

Emergency Sick Leave Policy

Updated: March 5, 2020

Approved by Board on: ______________________________

PURPOSE: The purpose of this Operating Policy/Procedure (OP) is to establish policy and procedure for handling employees with a communicable and/or transmittable disease in a manner fair to the affected employee and to provide a safe work environment for all employees.

POLICY/PROCEDURE:

1. **Definition of Terms**

   a. **Communicable Disease** – A disease easily spread by casual contact and that poses a threat to other employees and/or visitors/customers

   b. **Transmittable Disease –** A disease not easily spread by casual contact, but which may be bloodborne, transmitted sexually or through other bodily fluids, or transmitted in other ways that poses only a limited threat to other employees and/or visitors/customers.

   c. **Non-communicable Disease** – A disease not considered transferable from person to person that poses no threat to other employees and/or visitors/customers.

2. **General Policy**

   MassHousing is committed to providing fair and equal employment opportunities for all individuals, including those who have been exposed to communicable and/or transmittable diseases. The Agency is also committed to providing a safe workplace for all employees and a safe environment for its employees that meets or exceeds federal, state, and local regulations.

[1] A medical certification shall mean a written statement signed by a health care professional licensed to practice medicine in the Commonwealth of Massachusetts or otherwise designated as an approved provider under a health insurance plan offered by the Agency.

The Agency is legally and ethically required to refrain from releasing any information pertaining to a person diagnosed as having a serious medical illness. Knowledge of any person so affected will be confined to those persons with a direct need to know.

This policy applies to all areas of the Agency and personnel administration including, but not limited to, hiring, job assignment, opportunities for training and development, pay, benefits, promotions and demotions, layoffs, and terminations, and standards of personal conduct.

3. **Procedure**

a. Communicable/Transmittable Disease

General Information

An employee who has a communicable or transmittable disease, as determined by medical certification[1], may elect to utilize sick leave, vacation leave, or leave without pay benefits in accordance with the normal agency policies and/or family and medical leave policies.

In addition, an employee who has a communicable/transmittable disease that poses a threat to other employees and/or visitors/customers may be required by the Vice President of Talent and Culture (V.P. of Talent and Culture), or in their absence the Executive Director or Chief Operating Officer, to utilize additional sick leave, vacation leave, family and medical leave, and/or be placed on leave with or without pay/benefits until the threat is removed. The employee may also be required by the agency to obtain a medical certification that they do not represent a threat to other employees and/or visitors/customers prior to being permitted to return to work, at the discretion of the V.P. of Talent and Culture.

The employee also may be reassigned to other work or to other work areas, including work from home, in order to reduce or remove the threat posed to other employees and/or visitors/customers. Such determination shall be made by the V.P. of Talent and Culture, who may consult with the employee's supervisor.

Supervisors will be instructed, by the V.P. of Talent and Culture, to send and keep employees home if they exhibit symptoms of the illness, working from home if practical.

If an employee presents to their supervisor they believe they have been exposed to a possible disease which may present a risk to the health and safety of other employees and/or the community, the supervisor should consult immediately with the V.P. of Talent and Culture and it may be necessary to have the employee self-quarantine, working from home if applicable, and/or take appropriate leave time to be absent from work until cleared to return to work. A medical certification clearing them to return to work may be required. This policy gives the V. P. of Talent and Culture, in their absence the Chief Operating Officer or the Executive Director, the ability to require certain employees to stay home or work from home or be placed on leave if there is a potential for a threat to other employees.

Each situation will be evaluated on the basis of that particular case, taking into consideration the desires and rights of the employee, the safety of the workplace, and the needs of the Agency.

b. Non-communicable Disease

An employee who has a non-communicable disease, as determined by medical certification (if required by the VP of Talent and Culture), may elect to utilize sick leave, vacation leave, family and medical leave, and/or leave without pay benefits in accordance with normal agency policies.

4. **Employee Leave and Pay**

In the event of a pandemic, MassHousing may grant all nonessential personnel immediate emergency sick leave. MassHousing shall pay workers on emergency sick leave their salary and continue such salary for two-week periods up to a maximum of six weeks.

Mass Housing's Executive Team monitors emergency conditions daily to determine how long emergency sick leave must continue and, following consultation with outside authorities, advise employees when to expect to return to work.

5. **Right to Change Policy**

MassHousing reserves the right to interpret, change, modify, amend or rescind this policy, in whole or in part, at any time without the consent of employees.

Ms. Kornegay continued with her report by discussing the MassHousing Board Education Series. In an effort to introduce a regular educational component to the board meetings, the Executive Director may invite outside experts to present briefly at a regular board meeting in topic areas such as Federal current topics, technology/cybersecurity, State current topics, mortgage insurance, capital markets/bond financing, demographics, risk management/insurance profile, compliance programs and top legal risks. Ms. Kornegay continued by saying on-demand training will be made available via the Onboard portal, LinkedIn Learning Modules, and Mel King Institute Recordings.

Ms. Kornegay continued her report by discussing the Capital Magnet Fund FY19 Awards. The Capital Magnet Fund was established by the Housing and Economic Recovery Act of 2008 and is funded by GSEs Fannie Mae and Freddie Mac. The Capital Magnet Fund supports the creation and preservation of affordable housing for low-income households and economic development. The Fund leverages over $20 billion in private investment in economically distressed communities. For the Capital Magnet Fund FY19 Awards, there were a total of 113 applications and 38 award recipients. MassHousing was awarded $2,250,000 to support DPA programs for low-income households. Lisa Serafin asked if these funds were for one year. Ms. Kornegay answered we will expend all funds in two years. Ms. Kornegay continued by stating we will combine the $2,250,000 with the funds already allocated to DPA..

Ms. Kornegay next discussed the "Get The Lead Out" program. MassHousing began providing lead paint abatement financing in the late 1980's. In 1992 the Get the Lead Out program began with an initial capital investment of $5 million from the Massachusetts Legislature. The program is administered by local rehabilitation agencies.

Ms. Kornegay went on to state the lead paint line item was cut from the state budget in the 2000s. DHCD and MassHousing have struggled to maintain stable funding for the program through the years. At times, changing guidelines and eligibility limited the flow of funding to borrowers. The FY 2020 Supplemental Budge recapitalizes the program with $5 million. This funding ensures the program continues to prevent childhood lead poisoning in the Commonwealth of Massachusetts.

Ms. Kornegay next discussed the redesign of MassHousing's Community Services Department (CSD.) We have begun to explore a redesign process for CSD to understand the position of programs in the industry and to optimize MassHousing's considerable assets invested in CSD's programs. Through this redesign process we intend to develop strategies to more effectively measure and communicate our impact, leverage the investments we make and to diversity our funding sources.

Ms. Kornegay stated MassHousing had released an RFP seeking a consultant to develop a business plan for the CSD redesign and selected The Bronner Group. We seek to identify the best model to transition from Community Services Department to an "Institute"-like model. We will create a business plan and implementation strategy including identification of programs to access capital and achieve long-term financial and program sustainability. We also seek to create an operating and financial plan including a corporate structure.

Ms. Kornegay went on to explain the "Institute Model" will be an independent yet affiliated entity that serves as a resource hub and convener. Through the Institute Model we will raise and leverage philanthropic funding for programs and services, collect and share best practices, bring players from across the housing ecosystem and beyond to share and collaborate and refine and improve programming and service delivery. Carolina Avellenada asked if this entity would be a private entity. Ms. Kornegay replied it will be an independent but affiliated entity. Ms. Kornegay explained because we are MassHousing cannot take advantage of certain opportunities. Ms. Avellenada asked what the response has been from the members of the Community Services Department. Ms. Kornegay answered their response has been great and they have been engaged since the beginning of the process..

As part of her "People Behind the Mission" program, Ms. Kornegay introduced James ("Jim") Fortune, Marketing Specialist in Diversity and Inclusion. Mr. Fortune joined MassHousing in September of 1993. Ms. Kornegay thanked Mr. Fortune for his years of service to MassHousing.

Loan Committee

Simon C. Fireman, Randolph

Greg Watson presented a proposal for Approval to accept assignment of a HUD-issued Firm Commitment for FHA-insurance, Commitment of a First Mortgage Loan and Approval to finance the New Loan through the issuance of a Ginnie Mae MBS.

Simon C. Fireman was originally constructed in 1985 as part of HUD's Section 202 Program. The property receives assistance from a Section 8 HAP Contract that commenced on December 27, 2004 and covers 159 of its 160 units. In connection with the proposed refinance, the Sponsor will terminate the existing HAP Contract and will execute a new 20-year Mark-Up-To-Market Renewal Contract at closing.

159 units are covered under a project-based Section 8 contract, set to be renewed under Mark-Up-To-Market as part of this transaction. The new HAP contract will be for a period of 20-years and will include the "Preservation Exhibit" that will require the Owner to renew the Contract at expiration for the remaining term of the existing contract (approximately four years). With this, the owner will be committed to Section 8 renewals for approximately 24 years. The Renewal also qualifies for participation in the Capital Repair Program, per the requirements of Chapter 15, which allows the "post-renovated" Mark-up to-Market rents to be in effect at closing. Additionally, there is one unit not covered by the HAP contract.

Rockport Mortgage Corporation is requesting FHA mortgage insurance in the amount of $25,000,000. The proceeds will be used to repay approximately $7,626,122 in existing debt, complete approximately $6,006,755 in critical and non-critical repairs, fund the replacement reserves with an initial deposit of $922,600 ($5,766 per unit) and withdraw approximately $8,873,810 in equity. This transaction will allow the Owner to address all of the property's deferred maintenance, modernize the buildings, enhance and augment amenities, improve energy efficiency, and improve overall marketability.

Upon a motion duly made and seconded, it was

VOTED: To approve the findings and determinations set forth below and to authorize the Massachusetts Housing Finance Agency ("MassHousing") (1) to accept the assignment, from Rockport Mortgage Corporation of a HUD Firm Commitment to provide mortgage insurance through the Federal Housing Administration pursuant to Section 223(f) of the National Housing Act for a first mortgage loan in the approximate amount of $25,000,000, or such other amount as evidenced in the HUD Firm Commitment, subject to the limitation that the final amount of such loan shall not be more than $33,750,000 nor less than $16,250,000 to HSL Fireman Operating Limited Partnership (the "Borrower") for Simon C. Fireman and (2) to make the FHA-insured first mortgage loan to the Borrower for Simon C. Fireman in the approximate amount of $25,000,000 subject to the limitation that the final amount of such loan shall not be more than $33,750,000 nor less than $16,250,000 on terms acceptable to MassHousing, in compliance with the terms of the Proactive Multifamily Preservation and Loan Prepayment Guidelines adopted by the Agency on July 14, 2015 and subject to MassHousing's General Closing Conditions for loans made under MassHousing's MAP/Ginnie Mae Multifamily Joint Venture Lending Initiative approved by the Agency on November 12, 2014.

FURTHER VOTED: That the Massachusetts Housing Finance Agency, acting through its officers authorized under the Ginnie Mae resolution adopted by the Agency on May 14, 2019, is hereby authorized and directed to do all acts and things, and to execute and deliver any and all documents, certificates, securities and instruments necessary or desirable to effectuate the funding of a first mortgage loan insured by the U.S. Department of Housing and Urban Development, acting through the Federal Housing Commissioner, under Section 223(f) of the National Housing Act, to the Borrower for Simon C. Fireman

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:
159 units (99.38%) 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 (1,194 approximate units) in the area revealed a strong market, with increasing rental and occupancy rates over the last three years. Current occupancy rates of the five developments reviewed averaged approximately 96.3%, and range between 92% and 100%. The subject property has operated as an Section 8 elderly/disabled property since 1984 and has had a historical vacancy rate of .84%. My review of similar mixed income/subsidized portfolio properties (1,185 units) demonstrated a weighted average vacancy rate of approximately of 1.27%.

CoStar data for the subject's Quincy/Milton/Randolph submarket (10,492 units) has an overall vacancy rate at 4.5% YTD, which is a decrease of 2.69 % from one year ago. CoStar data for the Boston market (220,247 nits) has an overall vacancy rate of 5.5% YTD, which is a slight increase of .50% from one year ago. The vacancy rate for the subjects Quincy/Milton/Randolph submarket is projected to increase to 6.1% over the next five years, while the Boston Market is projected to increase to 6.5%.

The submarket data for the 4-5 Star building type (3,386 units) indicates a 4th Qtr. 2019 vacancy rate of 6.6% and an average asking rent of $2,317, while submarket data for the subject's 3 Star building type (4,685 units) indicates a 4th Qtr. 2019 vacancy rate of 3.5% at an average asking rent of $2,078. 1-2 Star building type (2,421 units) indicate a 4th Qtr. 2019 vacancy rate of 3.5% at an average asking rent of $1,620. The development with its amenities, more closely reflects the 3 Star building type, and is reflected in both the vacancy rate and market rent potential.
According to the Department of Housing and Community Development's (DHCD) Chapter 40B Subsidized Housing Inventory (9/14/17), the Town of Randolph 11,980 year round housing units, 1,280 (10.7%) of which are subsidized for low/moderate income households.

The Randolph Housing Authority (RHA) owns and /or operates three State funded Elderly housing developments that have 236 one-bedroom units. Per the representative of RHA there are 1,513 applicants on the waiting list. Also, per the representative, RHA does not have any family housing, nor do they administer any Section 8 Housing Choice Vouchers.

U.S. Census data from the 2013-2017 American Community Survey (ACS) indicates that of the 14,017 households in the Town of Randolph, approximately 68.1% earned less than the HUD published 2019 AMI ($113,300), approximately 24.4% earned less than 50% of 2019 AMI, approximately 42.1% earned less than 60% of the 2019 AMI and approximately 59.2% earned less than 80% of the 2019 AMI.

3. Inability of Private Enterprise Alone to Supply Affordable Housing

MassHousing staff has completed an analysis of the market rate rents, as defined by Agency statute, which absent MassHousing financing, would be required to support the development and operations of the Development. Based on the substantial difference between these market rents (shown in the Rent Schedule below) and the rents for this project, MassHousing staff finds that private enterprise alone cannot supply such housing.

4. No Undue Concentration of Low-income Households

The financing herein proposed will change neither the current income mix of the Development nor that of its surrounding locality.

5. Elimination or Repair of Unsafe or Unsanitary Dwelling Units
As evidenced by data cited in Finding No. 2 above, there is an acute shortage of decent, safe, and sanitary housing available to low-income persons and families in the general housing market area of the Development. Although staff is not aware of units within the same market area that require demolition or compulsory repair, by preserving the affordable housing proposed here, those in need of affordable housing will not be forced to accept residence in substandard units. So long as the acute shortage of affordable housing persists, actions of public agencies to increase the supply of affordable housing will reduce the market forces that allow unsafe and unsanitary units to persist. In addition, MassHousing, through its administration of housing programs, and other public agencies (e.g., local enforcement of building codes), continue to require repair of substandard units as such units are identified.
Rental Determinations:

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

Rent Schedule:

Number of Bedrooms	0	1	2
Number of Units	40	119	1
Net SF/Unit	480	540	700
Elev./Non-Elev.	Elev	Elev	Elev
Market Rate Rent (insert)	$2,553	$2,978	$2,680
MHFA Below Market Rent (Cost-Based Rent)	$1,705	$2,130	$1,832
MHFA Adjusted Rent	30% of 80% of AMI		
Underwriting Rents			
Section 8 PBV	$1,705	$2,130	
Market			$1,832

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.

Newcastle Saranac, Boston

Kathleen Evans presented a proposal for Commitment of Tax-Exempt Construction/Permanent Loan, Commitment of Tax-Exempt Construction/Equity Bridge Loan, Commitment of Subordinate 13A Preservation Loan and Approval of 4% Tax Credits for Newcastle Saranac

The Development was financed with a subsidized Section 13A mortgage that matured in 2018. In January 2019, the Sponsor acquired the Development through Chapter 40T with an acquisition loan from CEDAC. The Sponsor has worked in collaboration with their development partner, Schochet Companies, as well as the state and city stakeholders to structure a financing transaction that includes substantial resources including IDP Linkage and Housing Trust funds from the City of Boston, 13A funds from DHCD and MassHousing, and substantial new rental subsidies from DHCD and the Boston Housing Authority. Ultimately, this transaction will allow the Sponsor to protect all of the existing households, address the extensive physical needs of the buildings, and preserve long-term affordability.

Newcastle Saranac is a 97-unit mixed income, mixed-use development in Boston – South End. The Development is located between Columbus Avenue and the Southwest Corridor Park, adjacent to the Massachusetts Avenue MBTA station.

The Development consists of two distinct structures, Newcastle Court and the Saranac Building, both of with are brick, walk-up buildings originally constructed in the early 1900s.

Thirty-eight (38) units will receive project-based rental subsidies (existing 20-unit project-based MRVP will be renewed, and there will be a new eight-unit project-based Section 8 contract from the Boston Housing Authority). An additional 43 units will be subject to a new Low-Income Housing Tax Credit (LIHTC) restriction (30 units at 60% of AMI, 13 units at 80% of AMI). The remaining 16 units will be set at 100% of AMI with a Workforce Housing restriction in order to allow existing residents to remain in place with appropriate rent and income restrictions. They will not be eligible for Workforce Housing funds. Upon a motion duly made and seconded, it was
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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 "Newcastle Saranac" (the "Development") at such time as it is submitted; (ii) this vote to serve as a declaration of official intent under Treasury Regulations Section 1.150-2 to fund all or a portion of costs paid or incurred after this date from the proceeds of a tax-exempt debt issue of the Agency if the Agency shall approve and fund the Development; (iii) that the issuance of debt by the Agency not be in excess of $27,700,000 in principal amount for the Development; and (iv) that the issuance of debt occur not later than 18 months after the latest of (a) the date on which the earliest expenditure subject to Treasury Regulations Section 1.150-2 is paid, (b) the date on which the property is placed in service or abandoned, but in no event more than three years after the earliest expenditure is paid, or (c) the date otherwise permitted by the Internal Revenue Code or Treasury Regulations promulgated thereunder.

OFFICIAL ACTION STATUS FINDINGS

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

1. Fenway Community Development Corporation and the Schochet Companies ("Developer") have acceptable multifamily housing development experience and acceptable credit history.
2. The Developer has demonstrated an arms'-length evidence of site control either by an option agreement, a purchase and sale agreement, a deed, a contract of sale for the site, and/or other legal evidence of site control, with the land price and/or ground lease rent evident.
3. The proposed site is acceptable for the intended housing.
4. There is a need for the proposed housing in the community.

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 $16,600,000, such first loan to be insured under the HUD HFA Risk Sharing Program; and (b) a subordinate construction/equity bridge mortgage loan in a principal amount of up to $11,100,000, in each case to be made to NS Apartments LLC or another single-purpose entity controlled by NS Apartments LLC (the "Borrower") as owner of the multifamily residential development known as "Newcastle Saranac" (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:

(a) The Borrower shall provide an accessibility plan acceptable to the Director of Rental Management and General Counsel which demonstrates the availability of at least five (5) fully accessible units within neighboring affordable housing developments owned or controlled by affiliates of Fenway Community Development Corporation or The Schocket Companies, for referral by Borrower of individuals and households of the Development who require the features of accessible units, as necessary to comply with applicable requirements of Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act, and/or Massachusetts Architectural Access Board.

FURTHER VOTED:

To approve a subordinate mortgage loan to the Borrower for the Development in an amount not to exceed $2,250,000 (1) to be funded from that portion of the

Opportunity Fund approved by the Agency on March 8, 2016, designated and reserved for preservation of the Section 13A portfolio and (2) subject to such terms and conditions as approved by the Executive Director or Deputy Director, or their respective designees and to any applicable delegations of authority previously approved by the Agency.

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 Boston, Massachusetts and known as "Newcastle Saranac" (the "Development") will not exceed the amount which is necessary for the financial feasibility of the Development and its viability as a qualified low-income housing project throughout the credit period, having taken into consideration:

(a) the sources and uses of funds and the total financing planned for the Development;
(b) any proceeds or receipts expected to be generated by reason of tax benefits;
(c) the percentage of the tax credit amount used for Development costs other than the cost of intermediaries; and
(d) the reasonableness of the developmental and operational costs of the Development, provided, however, that such determination shall not be construed to be a representation or warranty as to the feasibility or viability of the Development.

FURTHER VOTED:

To authorize the Executive Director, the Vice President of Multifamily Programs, the Director of Rental Business Development, the Director of Rental Lending, the Director of Rental Operations, the General Counsel or the designee of any of the foregoing, each acting singly, to set the amount of 4% Credits to be used in connection with the Development applying the standards set forth in the immediately preceding vote.

FURTHER VOTED:

To authorize the Executive Director and the Vice President of Multifamily Programs, and their respective designees, each acting singly, to permit the Borrower to enter into, or assume, mortgage loans with third parties with respect to the Development, provided that (1) any such mortgage loans shall be subordinated to MassHousing's first mortgage loan, and other MassHousing debt as determined by the Executive Director or the Vice President of Multifamily Programs, and (2) such subordinate mortgage loans shall be subject to MassHousing's requirements pertaining to subordinate mortgages, in a manner acceptable to MassHousing's General Counsel or his designee.

STATUTORY FINDINGS AND DETERMINATIONS

Statutory Findings:

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

6. The affordability of rents for 20% of the units:
81 units (83%) 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.

7. Shortage of Affordable Housing Units in the Market Area

In-house data for larger market and mixed-income complexes (approximately 875 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 97.2%, and range between 94.5% and 100%. My review of similar mixed-income/subsidized portfolio properties (1,125 units) demonstrated a weighted average vacancy rate of approximately 1.41%.

CoStar data for the subject's Back Bay/South End submarket (9,336 units) has an overall vacancy rate at 2.77% YTD, which is a decrease of .50% from one year ago. CoStar data for the Boston market (219,876 units) has an overall vacancy rate of 5.4% YTD, which is a slight increase of .38% from one year ago. The rate is projected to increase to 6.2% over the next five years, while the Boston Market is projected to increase to 6.5%.
The submarket data for the 4-5 Star building type (3,766 units) indicates a 4th Qtr. 2019 vacancy rate of 3.2.% and an average asking rent of $4,155, while submarket data for the subject's 3 Star building type (2,728 units) indicates a 4th Qtr. 2019 vacancy rate of 2.5% at an average asking rent of $3,375. 1-2 Star buildings indicate a 4th Qtr. 2019 vacancy rate of 2.4% at an average asking rent of $2,842. The development with its amenities, more closely reflects the 3 Star building type, and is reflected in both the vacancy rate and market rent potential.

According to the Department of Housing and Community Development's (DHCD) Chapter 40B Subsidized Housing Inventory (9/14/17), the City of Boston 269,482 year-round housing units, 51,283 (19%) of which are subsidized for low/moderate income households.

According to the Boston Housing Authority's (BHA) 5-year plan (2015-2019), the BHA owns and operates 63 family and elderly/disabled developments with a total of 10,343 units. The BHA also administers 14,481 Housing Choice Vouchers. In addition, the City of Boston's Annual Plan (FY2018) indicated that the BHA maintains the following wait lists: There are 1,102 households on the Section 8 tenant based assistance wait list, including 840 families with children, 256 families with disabilities and 40 elderly families. The BHA also had Single applicants on the waiting list. There were also instances of families that fit into more than one category. This waiting list has been closed since November 2008 and there are no plans to reopen at his time. The BHA also maintains a Public Housing Wait list with 34,949 households including 14,720 families with children, 9,524 families with disabilities, and 4,154 elderly families. The BHA had single applicants on the waiting list, as well as families that fit into one or more categories. This waiting list is open. The BHA owns and/or operates approximately 63 housing developments of which 36 are elderly/disabled, and 27 are family, for a total of 12,623 housing units.

U.S. Census data from the 2013-2017 American Community Survey (ACS) indicates that of the 263,229 households in the City of Boston approximately 70.2% earned less than the HUD published 2019 AMI ($113,300), approximately 48.0% earned less than 50% of 2019 AMI, approximately 54.8 % earned less than 60% of the 2019 AMI, and approximately 61.9% earned less than 80% of the 2019 AMI.

8. 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.

9. No Undue Concentration of Low-income Households
The financing herein proposed will not lead to the undue concentration of low-income households. Although it is a low-income development, it is located adjacent to market-rate developments and is located in an area that includes a mix of residential and retail uses.

10. 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	0	1	2	3
Number of Units	8	29	54	6
Net SF/Unit	388	498	938	1117
Elev./Non-Elev.	N	N	N	N
Market Rate Rent (insert)	$2,483	$2,683	$2,902	$3,648
MHFA Below Market Rent (Cost-Based Rent)	$1,556	$1,755	$1,974	$2,720
MHFA Adjusted Rent	30% of Income			
Underwriting Rents				
Project Based MRVP	$1,715	$1,900	$2,311	$2,880
Project Based Section 8	$1,769	$1,981	$2,413	$3,024
60% AMI LIHTC	$1,211	$1,300	$1,538	$1,781
80% AMI	$1,244	$1,555	$1,867	$2,157
100% AMI	$1,918	$2,058	$2,447	$2,831

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.

Oak Hill Apartments, Pittsfield

Kathleen Evans presented a proposal for Extension of 13A Repair Grant for twelve months with three twelve-month extensions.

Oak Hill is a matured Section 13A property. Since the expiration of the associated restrictions, HallKeen has continued to operate the Development with the same affordability mix as they work to facilitate the Limited Partner's exit from the ownership structure and structure a preservation refinancing. During this time, the Development has made monthly debt service payments in the same amount that was being paid on the Section 13A mortgage prior to maturity. These payments will continue as HallKeen continues to work toward a refinancing structure. Upon a motion duly made and seconded, it was

VOTED: That MassHousing authorized the Executive Director, or her designee, to permit the continuation of the one (1) loan to Oak Hills Housing Company on or after the maturity date of the Original Mortgage in accordance with its terms or otherwise in accordance with such terms as the Executive Director shall require.

Mountain View Terrace, Stoneham

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

Mountain View Terrace was originally developed in 1981. The original development was refinanced with MassHousing as part of HUD's risk sharing program in 2010 and subsequently underwent a substantial rehabilitation. The property receives assistance from a Section 8 HAP Contract that commenced on March 30, 2011. The Contract covers all 194 units. In connection with the proposed refinance, Atlantic Tambone will terminate the existing HAP Contract and will execute a new 20-year Mark-Up-To-Market Renewal Contract at or prior to closing.

Rockport Mortgage Corporation is requesting FHA mortgage insurance in the amount of $32,750,000. The proceeds will be used to repay approximately $13,565,136 in existing indebtedness, complete $20,180 in critical repairs and $254,780 in non-critical repairs, fund the replacement reserves with an initial deposit of $337,232 ($1,738 per unit) and withdraw approximately $17,904,420 in equity. The property's current Physical Condition Risk Rating of "C" would likely be reassessed as an "A" after accounting for improvements completed to date and those scheduled as part of this transaction

Upon a motion duly made and seconded, it was

VOTED: To approve the findings and determinations set forth below and to authorize the Massachusetts Housing Finance Agency ("MassHousing") (1) to accept the assignment, from Rockport Mortgage Corporation of a HUD Firm Commitment to provide mortgage insurance through the Federal Housing Administration pursuant to Section 223(f) of the National Housing Act for a first mortgage loan in the approximate amount of $32,750,000, or such other amount as evidenced in the HUD Firm Commitment, subject to the limitation that the final amount of such loan shall not be more than $44,212,500 nor less than $24,259,259 to 7th AP Company (the

“Borrower”) for Mountain View Terrace and (2) to make the FHA-insured first mortgage loan to the Borrower for Mountain View Terrace in the approximate amount of $32,750,000 subject to the limitation that the final amount of such loan shall not be more than $44,212,500 nor less than $24,259,259 on terms acceptable to MassHousing, in compliance with the terms of the Proactive Multifamily Preservation and Loan Prepayment Guidelines adopted by the Agency on July 14, 2015 and subject to MassHousing’s General Closing Conditions for loans made under MassHousing’s MAP/Ginnie Mae Multifamily Joint Venture Lending Initiative approved by the Agency on November 12, 2014.

FURTHER VOTED: That the Massachusetts Housing Finance Agency, acting through its officers authorized under the Ginnie Mae resolution adopted by the Agency on May 14, 2019, is hereby authorized and directed to do all acts and things, and to execute and deliver any and all documents, certificates, securities and instruments necessary or desirable to effectuate the funding of a first mortgage loan insured by the U.S. Department of Housing and Urban Development, acting through the Federal Housing Commissioner, under Section 223(f) of the National Housing Act, to the Borrower for Mountain View Terrace.

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:

11. The affordability of rents for 20% of the units:
194 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.

12. Shortage of Affordable Housing Units in the Market Area
In-house data for larger market and mixed-income complexes (appx. 1,252 units) in the area revealed a strong market, with increasing rental and occupancy rates over the last three years. Current occupancy rates of the 5 developments reviewed averaged appx. 96.3%, and occupancy levels range between 94.1% and 98.1%.

CoStar data for the subject’s 93 North submarket (6,570 units) has an overall vacancy rate at 6.9% YTD, which is an increase of 2.01 % from one year ago. CoStar data for the Boston market (219,876 nits) has an overall vacancy rate of 5.4% YTD, which is a slight increase of .38% from one year ago. The rate is projected to decrease to 5.7% over the next five years, while the Boston Market is projected to increase to 6.5%.

The submarket data for the 4-5 Star building type (2,194 units) indicates a 4th Qtr. 2019 vacancy rate of 7.1.% and an average asking rent of $2,310, while submarket data for the subject’s 3 Star building type (3,018 units) indicates a 4th Qtr. 2019 vacancy rate of 8.9% at an average asking rent of $2,078. 1-2 Star building type (1,358) indicate a 4th Qtr. 2019 vacancy rate of 2.3% at an average asking rent of $1,784. The development with its amenities, more closely reflects the 3 Star building type, and is reflected in both the vacancy rate and market rent potential.

According to the Department of Housing and Community Development's (DHCD) Chapter 40B Subsidized Housing Inventory (09/14/17), the Town of Stoneham has 9,399 year-round housing units, 495 (5.3%) of which are subsidized for low/moderate-income households.

The Stoneham Housing Authority (SHA) owns/operates three State Elderly/Disabled properties with a total of 29 studios and 180 one-bedroom units. In addition, SHA owns/operate three State Family properties one of which is exclusively for veteran families with a total of 44 two-bedroom units and 32 three-bedroom units. Per the information from SHA, the wait list is over 5 years for both family and elderly/disabled units, unless the applicant is a Stoneham resident and the waitlist are approximately one year. The Stoneham Housing Authority gives preference to: 1) Stoneham Residents, 2) for working in Stoneham, and 3) Veterans. SHA does not administer any Section 8 Housing Vouchers.

U.S. Census data from the 2013-2017 American Community Survey (ACS) indicates that of the 9,399 households in the Town of Stoneham approximately 59.4% earned less than the HUD published 2019 AMI ($113,300), approximately 33% earned less than 50% of 2019 AMI, approximately 39.4 % earned less than 60% of the 2019 AMI, and approximately 48.4% earned less than 80% of the 2019 AMI.

13. 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.

14. No Undue Concentration of Low-income Households
The financing herein proposed will change neither the current income mix of the Development nor that of its surrounding locality.

15. Elimination or Repair of Unsafe or Unsanitary Dwelling Units
As evidenced by data cited in Finding No. 2 above, there is an acute shortage of decent, safe, and sanitary housing available to low-income persons and families in the general housing market area of the Development. Although staff is not aware of units within the same market area that require demolition or compulsory repair, by preserving the affordable housing proposed here, those in need of affordable housing will not be forced to accept residence in substandard units. So long as the acute shortage of affordable housing persists, actions of public agencies to increase the supply of affordable housing will reduce the market forces that allow unsafe and unsanitary units to persist. In addition, MassHousing, through its administration of housing

programs, and other public agencies (e.g., local enforcement of building codes), continue to require repair of substandard units as such units are identified.

Rental Determinations:

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

Rent Schedule:

Number of Bedrooms	1	2	3	4
Number of Units	128	50	10	6
Net SF/Unit	635	859	1,143	1,356
Elev./Non-Elev.	Elev	Elev	N/E	N/E
Market Rate Rent (10% Rate 20 Yr. Term)	$2,866	$3,180	$4,096	$4,596
MHFA Below Market Rent (Cost-Based Rent)	$1,970	$2,284	$3,200	$3,700
MHFA Adjusted Rent	30% of 80% of AMI			
Underwriting Rents	$1,970	$2,284	$3,200	$3,700

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.

Kurlat House, Brighton

Max Glikman presented a proposal for Approval for a Category 1 Release of Collateral and for Approval for a Category 3 Granting of Easement for Kurlat House in Brighton.

The Borrower is requesting the above approvals as necessary to permit the construction of approximately 11,000 square feet of office space (the "Office Space") on two new floors to be located within the Kurlat House (f/k/a Genesis House) development (the "Development"). The Office Space, to be built above the two-story connector building between two wings of the Development, will be constructed and owned by affiliates of the Sponsor, and will serve as the central office for the Sponsor and its affiliates at its Brighton campus, an interconnected community of 700 deeply-subsidized senior supportive housing units.

As detailed below, the approvals are necessary to permit the modification, conveyance and/or release of real estate collateral securing MassHousing's first mortgage loan to the Development, so that the Borrower may (i) create a two-unit condominium comprising the "Kurlat Unit" and the "Office Unit", and (ii) to convey the Office Unit to 2Life Communities Services, Inc. (the "Office Unit Owner"), the management affiliate of Borrower and Sponsor.

The Development is an existing Low Income Housing Tax Credit project consisting of 209 residential rental apartments located in a six-story wing and an eight-story wing, together with community and program space and an auditorium located within a two-story structure connecting the two wings. A major rehabilitation of the Development, which was financed by MassHousing through a new first mortage loan insured under the HUD/HFA Risk Sharing Program, was completed in 2019.

The Development received a 2019 Risk Analysis rating by MassHousing of "AAA" signifying an "A" for financial criteria, "A" for physical criteria, and "A" for compliance criteria. Neither the Borrower nor the Management Agent, nor their related parties, are in default under this or any MassHousing mortgage loan. Upon a motion duly made and seconded, it was

VOTED: To approve the construction of approximately 11,000 square feet of office space (the "Office Space") on two new floors to be located within the Kurlat House (f/k/a Genesis House) development (the "Development"), to be completed pursuant to a Lease and Development Agreement between 2Life Kurlat LLC (f/k/a JCHE Genesis LLC) (the "Borrower"), as owner of the Development, and 2Life Development, Inc., a developer affiliate of Borrower and 2Life, Inc. (the "Sponsor");

VOTED: To approve the modification, conveyance and/or release of real estate collateral securing MassHousing's first mortgage loan to the Borrower for the Development in the original principal amount of $56,790,000, as necessary for the Borrower to (i) submit the real estate collateral to the provisions of M.G.L. c. 183A in order to create a two (2) unit condominium comprising the "Kurlat Unit" and the "Office Unit", and (ii) to convey the Office Unit to 2Life Communities Services, Inc., the management affiliate of Borrower and Sponsor; and to modify the MassHousing mortgage, loan documents and restrictions of record, and

VOTED: To approve any easements required to permit access to the Office Unit over portions of the Kurlat Unit;

VOTED: That the Executive Director, Vice President of Multifamily Programs and General Counsel each be authorized, acting singly, to execute such documents, agreements, and instruments on behalf of the Agency in connection therewith subject to satisfaction of the Conditions set forth below, as may be modified, or with such other conditions, as such officers may require.

SPECIAL CONDITIONS

1. MassHousing Appraisal and Marketing staff shall commission, at the Borrower's expense, an independent appraisal to determine the prospective value of the Development following the proposed declaration of condominium (as represented by the creation of the Kurlat Unit) to confirm that the current MassHousing mortgage on the Development does not exceed 90% of the value of the Kurlat Unit property. The appraisal shall also determine the prospective market value of the Office Unit.

2. The proposed construction of Office Space and modification, conveyance and/or release of collateral shall be subject to the prior written approval of HUD, as insurer of the first mortgage loan under the HUD HFA Risk Sharing Program.

3. The proposed construction of Office Space and modification, conveyance and/or release of collateral shall be subject to review by MassHousing's bond counsel, and may not violate the terms or requirements of the tax-exempt bonds used to finance the Development.

4. The conveyance of the Office Unit shall be for nominal consideration.

5. The proposed documents required for the construction of Office Space and modification, conveyance and/or release of collateral, including declaration of condomium and modification to any existing documents, and any agreements for easements or joint access to the condominium units or existing Development property, together with any related plans or surveys, as necessary for construction and/or the continued operation of Development documents shall be subject to prior review and approval by MassHousing's General Counsel, Director of Rental Management and Director of Rental Underwriting, or their designees.

6. The final site plan and plans and specifications for the Office Space development, shall be subject to the approval of the Director of Rental Underwriting or their designee.

7. The Office Space development shall have received all applicable approvals and permits required for commencement of construction.

8. The Borrower shall provide an endorsement to the mortgagee title insurance policy for the Development, following declaration of condominium, conveyance of the Office Unit and

modification of loan documents, to confirm MassHousing's continued priority lien on the Development property subject only to those exceptions of title approved by MassHousing's General Counsel and HUD restrictions.

9. The Borrower shall cause an opinion or opinions, in a form acceptable to MassHousing's General Counsel, to be delivered by their counsel (accompanied by appropriate certificates of votes and incumbancy) as to: (1) the legal existence of the Borrower; (ii) the due authority of the Borrower to enter into, and its officers to execute on its behalf, the modifications to loan documents; and (3) the enforceability of loan documents and certifications executed by the Borower.

10. The Borrower and their related entities shall be current and not in default on all MassHousing mortgage loans.

Oxford Place Apartments, Boston

Henry Mukasa presented a proposal for Approval for a Category I Release of Collateral for Oxford Place Apartments in the Chinatown section of Boston. Substantially rehabilitated in 1983, Oxford Place is a 39-unit apartment community, containing one six story building. All the units are assisted under Section 8 for families including two fully-handicapped accessible units. The site is well maintained and had extensive improvements in 2017, including building envelope repair and replacement. In 2018, MassHousing made a first mortgage loan to the Borrower in the original principal amount of $9,077,000 under the HUD/Treasury FFB Program.

The Borrower is seeking MassHousing's approval to allow for the conveyance of two parcels totaling approximately 2011 square feet of the Development's land area (the "Parcels"), and a corresponding amendment of the MassHousing mortgage and other loan documents. The Borrower proposes conveying these parcels to a to be formed affiliate of CEDC for nominal consideration.

CEDC plans to construct 20 new affordable units of affordable housing once the Parcels are released by MassHousing.

The conveyance of the Parcels is anticipated to have little to no negative impact on the tenants of the Development. The Parcels are currently undeveloped open space containing pavers, benches and minor landscaping, located along the edge of the Development's property, and no relocation of any tenants or facilities at the Development would be required. According to the Borrower, there will be no effect on any utilities or mechanical systems of the Development as a result of this release. Borrower has indicated that CEDC intends to apply for tax-exempt construction and permanent financing through MassHousing to construct the new units. Upon a motion duly made and seconded, it was

VOTED: To approve the conveyance by Oxford Place Associates Limited Partnership (the "Borrower") of two parcels of land containing approximately 2,011 square feet (the "Parcels") located on an unimproved portion of land belonging to the Oxford Place Apartments development (the "Development"), to an affiliate of Borrower and Chinese Economic Development Council, its Sponsor, for construction of an affordable housing development, and to release the Parcels from the MassHousing mortgage and restrictions of record, and that the Executive Director, Vice President of Multi-Family Programs and General Counsel each be authorized, acting singly, to execute such documents, agreements, and instruments on behalf of the Agency in connection therewith subject to satisfaction of any conditions as such officers may require, including but not limited to approval by HUD as insurer of the MassHousing mortgage, and the following special conditions.

1. Subject to confirmation that the current MassHousing mortgage does not exceed 90% of the value of the development without the Parcels.

2. Subject to the approval of HUD (and FFB if necessary), as insurer of the first mortgage loan under the HUD HFA FFB Risk Sharing Program.

3. Proceeds of the sale of the Parcels in excess of nominal consideration, if any, shall be paid over to MassHousing and applied as specified in Section 12 of the Mortgage.

4. The proposed documents for release and/or conveyance of the Parcels shall be subject to prior review and approval by MassHousing's General Counsel, Director of Rental Management and Director of Rental Underwriting.

5. The final subdivision plan for the Parcels, together with the final site plan and plans and specifications for the new development, shall be subject to approval of the Director of Rental Underwriting or his designee.

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

7. The Borrower shall provide an endorsement to the mortgagee title insurance policy for Oxford Place, contemporaneous with release and conveyance of the Parcels, to confirm MassHousing's continued priority lien on the Development.

8. The Borrower and their related entities shall be current and not in default on all MassHousing mortgage loans.

Chapman House, East Boston

Henry Mukasa presented a proposal for the Extension and Subordination of MassHousing Loan for Chapman House in East Boston. The proposal is to extend the term of MassHousing loan and subordinate to a new 223 (f) loan and includes waiving MassHousing's Level One transfer of ownership requirements. The proposal also includes waiving the requirements for a conference for applicants rejected from housing or reclassified.

Chapman School Apartments is a 30-unit property located in East Boston that was originally redeveloped in 1986. Beacon Communities became the General Partner of the Borrower in 2012. In 2014, the deal was restructured as part of MassHousing's SHARP Refinancing Initiative. The MassHousing first mortgage was repaid in part and replaced with FHA insured financing. The balance of the MassHousing, SHARP, and City of Boston debt was restructured and subordinated.

In connection with the refinancing, the Borrower and MassHousing signed updated loan documents. Concurrently, HUD required that MassHousing enter into a subordination agreement. HUD, MassHousing and the City of Boston negotiated and agreed on a form that was acceptable to all parties. The subordinate lenders also signed a Subordinate Lender Intercreditor Agreement that set forth the relationship among them.

The outstanding principal balance of the MassHousing subordinate note was $2,056,273, as of January 31, 2020, and accrued interest payable on the note was $354,103.

The Borrower is now applying to HUD for a new Section 223(f) loan of approximately $5,379,000 with Walker & Dunlop as the MAP lender. The purpose of the new financing is to reduce the current interest cost of first mortgage debt from 3.95% to approximately 3.20%, repay a portion of the subordinate loans, repay in full deferred loans and fees of the partnership and provide a return to the investment partners.

The Borrower is proposing a partial repayment to MassHousing of 25% of the net proceeds, which repayment is calculated at this time to be approximately $711,869. Such amount will be updated at closing.

At this time, staff is also requesting certain additional changes in light of the very limited role that MassHousing assumed after the deal was refinanced outside the Agency under the SHARP Refinancing Initiative. Staff recommends a waiver of MassHousing's Level one transfer of ownership requirements and a waiver of the requirement for a conference for applicants rejected from housing or reclassified into a lower tenant-selection priority category. Upon a motion duly made and seconded, it was

VOTED: That MassHousing authorizes the Executive Director, the Vice President of Multifamily Programs and/or the General Counsel, each acting singly, to approve an extension, subordination and any other necessary modifications of the mortgage note and related documents from Chapman House Limited Partnership to MassHousing, on such terms and conditions as required by the Executive Director, the Vice President of Multifamily Programs and/or the General Counsel, including, but not limited to, the condition that DHCD and the City of Boston must approve any corresponding changes to any SHARP or City of Boston debt.

FURTHER VOTED: To waive that portion of the Tenant Selection Regulations of the Agency published in November 1997 requiring, through mandatory inclusion of such provisions in each tenant selection plan, an applicant conference procedure for applicants rejected from housing or reclassified in a lower tenant-selection priority category (which is attached to such Tenant Selection Regulations as Exhibit 3) for Chapman House; and

FURTHER VOTED: To waive the Transfer of Ownership requirement that Level One transfers be approved by Agency Members so that Agency staff can process transfers of ownership in accordance with HUD requirements; and

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

SHARP Delegation

Henry Mukasa presented a request regarding the SHARP Refinancing Initiatve ("SRI").

The SHARP Refinancing Initiative ("SRI") was an initiative of the Agency that resulted in 40 deals refinancing with 223(f) loans outside the Agency. A portion of those deals paid off existing MassHousing debt in full at that time, while the remainder negotiated with MassHousing and DHCD to subordinate and defer, and/or full or partially forgive MassHousing first debt and SHARP subordinate debt. For the 27 deals that did not fully repay or request full forgiveness of the MassHousing debt (the "SRI Portfolio"), there remains subordinate MassHousing debt that is currently being serviced through cash flow, to the extent available.

Given the current interest rate environment, coupled with increases in property value, a number of the SRI borrowers in the SRI Portfolio would like to refinance their 223(f) loans. Some of the borrowers are contemplating FHA 223(a)(7) loans, which are refinancings that extend the maturity date of the loan, increase the debt back up to its original amount and update the interest rate. Others are contemplating new 223(f) loans, with an adjustment of interest rate, extension of term, and potentially cash out to the borrower.

Certain SRI borrowers have approached the Agency for consent to these refinancings, and in January, the Members approved an extension and subordination of the debt for Van Ness Terrace. MassHousing staff has negotiated with the borrowers that for 223(f) deals that will have proceeds at closing, the Borrower will use 25% of such proceeds to pay down the subordinate MassHousing debt. MassHousing staff has also coordinated with DHCD with respect to the SHARP and RDAL debt and will obtain the consent of DHCD to each transaction.

Given the status of this subordinate debt and the time sensitive nature of the refinancings, MassHousing staff is requesting that the Members delegate to the Vice President of Multifamily Programs, in consultation with the General Counsel, the right to consent to extend and resubordinate the subordinate MassHousing debt, subject, for 223(f) deals where there are proceeds, to the repayment of 25% of proceeds. At this time, MassHousing staff is also requesting that these SRI Portfolio deals not be required to come before the Members for transfers of ownership. The HUD Subordination Agreement that MassHousing will be required to execute at closing requires that if HUD approves a transfer of ownership, MassHousing shall also approve such transfer. In addition, Agency staff feels that the SRI Portfolio deals with subordinate MassHousing debt only should not be subject to the requirement of tenant conferences. Upon a motion duly made and seconded, it was

VOTED: To authorize the Vice President of Multifamily Programs, in consultation with the General Counsel, to approve extensions and resubordinations of subordinate Agency debt on properties in the SRI Portfolio, on such terms and conditions as the Vice President of Multifamily Programs shall require, along with such amendments to documents as the General Counsel may deem necessary, in connection with any refinancings of third-party first mortgage debt; and

FURTHER
VOTED: To waive that portion of the Tenant Selection Regulations of the Agency published in November 1997 requiring, through mandatory inclusion of such provisions in each tenant selection plan, an applicant conference procedure for applicants rejected from housing or reclassified in a lower tenant-selection priority category (which is attached to such Tenant Selection Regulations as Exhibit 3) for the SRI Portfolio; and

FURTHER
VOTED: To waive the Transfer of Ownership requirement that Level One transfers be approved by Agency Members so that Agency staff can process transfers of ownership for SRI Portfolio deals in accordance with HUD requirements; and

FURTHER
VOTED: To authorize the Executive Director, General Counsel, and Vice President of Multifamily Programs, each acting singly, to execute and deliver on behalf of the

Agency such agreement(s) and other document(s) deemed necessary or appropriate to implement the foregoing, as evidenced by the execution thereof by one or more of the foregoing, the form and substance of which such agreement(s) and other document(s) shall be acceptable to the General Counsel, and to further authorize the Executive Director to designate certain other specified individuals to execute documents in connection with the foregoing.

MAP Joint Venture Update and
Vote Approving Capital One as a MAP Lender Partner

Sergio Ferreira presented an update on the MAP Joint Venture.

At its November 12, 2014 meeting, the Agency Members approved the multifamily joint venture lending initiative (the "MAP/Ginnie Mae Joint Venture") with Rockport Mortgage Corporation and CBRE (each, a "MAP Lender Partner") to underwrite new first mortgage loans on MassHousing's behalf. This underwriting process for the MAP/Ginnie Mae Joint Venture marked a new approach for MassHousing consistent with the Agency's strategic plan to focus on utilizing strategic partnerships in order to maximize the preservation of affordability. Under the MAP/Ginnie Mae Joint Venture, existing MassHousing borrowers are referred to a MAP Lender Partner to underwrite a new first mortgage loan under the provisions of Section 207, pursuant to Section 223(f) of the National Housing Act, in accordance with HUD's Multifamily Accelerate Processing (MAP) program guidelines. The MAP Lender Partner works directly with the Borrower on processing the loan application and submits the application to HUD for FHA insurance. Following issuance of the commitment for FHA insurance, the MAP Lender Partner assigns the FHA insurance commitment to MassHousing at loan closing, and MassHousing makes the loan and subsequently issues the Ginnie Mae MBS.

Since the program's inception, MassHousing has closed 43 MAP transactions totaling over $1 billion in lending on affordable housing, much of which otherwise would have been eligible to convert to market-rate.

Notwithstanding the success of this program and high quality of the work service delivered by our MAP Lender Partners, MassHousing elected to conduct a Request for Proposal (RFP) to identify other MAP Lenders interested in participating in this public-private partnership. In accordance with MassHousing's Procurement Policy, MassHousing periodically conducts RFPs to ensure that the Agency obtains high quality goods and services at a reasonable cost and to promote transparency, consistency and uniformity in contracting decisions.

MassHousing issued its RFP in September 2019, with responses due in October. After reviewing the responses, MassHousing invited qualified respondents in for interviews and further evaluation with the selection committee. Among the qualifications, MassHousing considered specific actions the Respondent has taken which demonstrate its commitment toward corporate social responsibility (i.e., activities that have a positive impact on society, including economic, social and environmental impacts), as well as activities within the organization which foster an inclusive environment. As a result of our concluded procurement process, we have selected Capital One as our third MAP Lender Partner. Both Rockport Mortgage Corporation and CBRE will continue to serve in their current capacities as MAP Lender Partners.

Because the 2014 votes approving the MAP/Ginnie Mae Joint Venture program were specific to Rockport Mortgage Corporation and CBRE, staff proposes a corresponding set of approvals that extend the program to loans underwritten by Capital One as a MAP Lender Partner.

Chairman Dirrane inquired about the RFP process and staff responded that several interview were conducted in addition to the written proposals. There was a followup discussion regarding the process by which responses to the RFP underwriters that had previously been released may be evaluated similarly. Staff noted that the RFP left open the question of whether interviews would be a component of the process. Chairman Dirrane recommended requiring oral presentations as a component of the process. Ms. Avellaneda and Ms. Serafin agreed.

Upon a motion duly made and seconded, it was

VOTED: **(i)** That the Massachusetts Housing Finance Agency (the "**Agency**") approve the use of the MAP/Ginnie Mae Multifamily Joint Venture Lending Initiative General Closing Conditions previously approved by the Agency Members on November 12, 2014, with such modifications as the Vice President of Multifamily Programs may from time to time approve, for all multifamily loan transactions for which the Agency accepts the assignment from Capital One of a firm commitment for mortgage insurance under the provisions of Section 207, pursuant to Section 223(f), of the National Housing Act issued by the U.S. Department of Housing and Urban Development (acting through the Federal Housing Commissioner) (each, a **"Joint Venture Transaction")**;

(ii) That the Agency approve the use of the MAP/Ginnie Mae Multifamily Lending Initiative Insurance Requirements approved by the Agency Members on November 12, 2014, as periodically updated either by HUD or upon the advice of an insurance consultant acceptable to the Vice President of Multifamily Programs, for all Joint Venture Transactions;

(iii) That the form of commitment letter (including its term sheet, general conditions, insurance requirements and requirements for subordinate mortgages) approved by the Agency's Board on April 9, 2002 not be required for any Joint Venture Transaction;

(iv) That the Vice President of Multifamily Programs shall have the authority to approve, and from time to time update or modify, the form of commitment documentation that the Agency will enter into with its borrowers and/or Capital One with respect to a Joint Venture Transaction;

(v) That the Transfer of Ownership Policy approved by the Agency's Board on August 14, 2007, not be applied to any owner of a development that has participated in a Joint Venture Transaction (a "***Participating Owner***") during the period in which the Agency's insured mortgage from such Participating Owner remains unpaid (such period, the "***Term***");

(vi) That Section 6A of the equity policy promulgated by the Agency on July 14, 1998, as amended by the Agency on November 9, 1999 (the "***Agency Equity Policy***"), not be applied to any Participating Owner during its Term, provided that, at all times during such Term, the development be subject to a recorded regulatory agreement entered into between the owner and the Agency that contains a provision regarding owner's equity in excess of the distribution of equity allowed to the owner under the Agency's enabling legislation substantially in the form set forth in the MassHousing Regulatory Agreement referenced in the MAP/Ginnie Mae Multifamily Joint Venture Lending Initiative General Closing Conditions (the "***MassHousing Regulatory Agreement***");

(vii) That the portion of the Tenant Selection Regulations of the Massachusetts Housing Finance Agency published in November1997 requiring, through mandatory inclusion of such provisions in each tenant selection plan, that the applicant conference procedure for applicants rejected from housing or reclassified in a lower tenant-selection priority category (which is attached to such Regulations as Exhibit 3) not be applied to any tenant selection plan for a development owned by a Participating Owner during the Term; and

(viii) That distributions of equity allowed under the Agency Equity Policy may be made two times per year to Participating Owners during its Term without further action by the Executive Director, substantially on the terms set forth in the MassHousing Regulatory Agreement.

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

Chairman Dirrane asked for a motion to adjourn the meeting at 2:50 p.m. Upon a motion duly made and seconded, it was

VOTED: To adjourn the MassHousing meeting at 2:50 p.m.

A true record.

Attest.

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Colin McNiece
Secretary