

**Minutes of the Regular Meeting of the
Members of MassHousing and a Special
Meeting of the Center for Community
Recovery Innovations, Inc. (CCRI)
held on
February 13, 2024**

The regular meeting of the Massachusetts Housing Finance Agency – doing business as MassHousing – and a special meeting of the Center for Community Recovery Innovations, Inc. (CCRI) was held on February 13, 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
Ed Augustus, <i>ex officio</i>	X	
Kaitlyn Connors*	X	
Herby Duverné	X	
Jerry Feldman	X	
Tom Flynn	X	
Patricia McArdle	X	
Carmen Panacopolous	X	

**Designee of 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 previous two meetings.

Upon a motion duly made and seconded, by roll call vote, by all Members present (with Patricia McArdle abstaining with respect to the December minutes), it was:

VOTED: That the minutes of the Regular Meeting of the Members held on December 12, 2023 and the minutes of the Regular Meeting of the Members held on January 9, 2024 are hereby approved and placed on record.

Chief Executive's Report and Vote Relating to the Opportunity Fund

Chrystal Kornegay began her report by discussing the issue of office conversions. Many municipalities are seeing underutilized, privately-owned sites and buildings in their downtown areas. However, turning offices into housing is not happening at scale because there are opportunity, funding and capacity gaps in these prime municipalities.

Ms. Kornegay described Boston's Downtown Residential Conversion Incentive Pilot Program, where the City commissioned the following studies (1) an inventory of office buildings in the study area that are the best candidates for conversion (2) an analysis on the floor plans that best suit conversions and (3) information on zoning reform for what changes need to be made in order to enable conversions to occur.

Ms. Kornegay presented a proposal for EOHLC and MassHousing to partner on a collaborative initiative aimed at providing funding opportunities for municipalities undertake studies similar to Boston's, to create an inventory of buildings to determine conversion candidates; conduct a floor plan analysis with cost estimates to determine potential plans and costs for converting particular buildings; and drafting a sample zoning ordinance that would enable conversions that municipalities can use as a model for their own revisions. The proposed funding would come from \$1 million from the Opportunity Fund.

These funds are primarily designated for smaller cities within the Commonwealth, including the Gateway Cities. Additionally, a limited number of applications from suburban and exurban communities with vacant facilities may be considered.

Jerry Feldman asked if there are any specifically designated communities and Ms. Kornegay replied it would be done on a first come, first served basis. Herby Duverné commented this is a phenomenal idea and asked about vendors. Mr. Duverné asked if there would be a possibility of more than one vendor and if there would be diversity in the selection process. Ms. Kornegay replied that one vendor would not be able to do all of the work and noted that the agency keeps a diverse list of vendors.

Ed Augustus thanked Ms. Kornegay for putting this proposal together and noted is his experience with a successful office building in Worcester that has been converted to 198 rental units and 22 owner units. Worcester has many historic buildings where tax credits could be used.

Kaitlyn Connors asked how the program would be rolled out and whether there would be an RFP. Ms. Kornegay replied we are still in the early stages and want to understand the demand before we roll out the program. Secretary Augustus said the governor will announce the program in March. Patricia McArdle noted recent meetings with planners in Southeastern Massachusetts and that it will be great to be able to share this program them.

Ms. Kornegay said we are working on a timeline for rollout and that the Secretary and the administration are very focused on this plan.

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Presentation: Fiscal Year 2024 Mid-Year Results

Rachel Madden presented an update on Fiscal Year 2024 Mid-Year Results. Single family (SF) production has been affected by high interest rates, high prices and low inventory. SF production is \$100 million below budget, which is not unexpected. Multifamily (MF) production is \$42 million above budget and Ginnie Mae is \$63 million above budget. FY24 projected multifamily income is \$10.7 million higher than the FY24 budget. FY24 projected single family income is \$2.2 million higher than the FY24 budget. FY24 Mortgage Insurance Fund income is \$1 million higher and investment income is up \$600,000. MIF production is down due to the decrease in SF production.

Projected income drivers for FY24 – MF net interest spread is higher by \$5.6 million, MF servicing and subsidy income is higher by \$3.2 million; SF net interest spread is higher by \$2.2 million; MF lending income is higher by \$1.8 million; MIF income is higher by \$1.6 million and corporate income is higher by \$1.7 million. Projected expense drivers – operating costs are lower by \$434K and professional services are lower by \$456K, offset by payroll and personnel costs are higher by \$237K.

Chair Pinado asked where the PBCA contract is accounted for in the summary and Ms. Madden noted that it is included in the MF subsidy income.

Herby Duverné asked when the lease at One Beacon is up and whether there is a market for available space. Ms. Madden replied we are very diligent in finding opportunities to leverage our building space and have successfully consolidated and sublet space and noted that the agency's lease runs several more years.

Chair Pinado commented that although production is down there seem to be a number of mitigants contributing to a good bottom line.

Finance Votes

Rachel Madden presented the following delegations of authority:

Delegating Authority to Issue Multifamily Bonds and/or Notes

\$600 million delegation of authority to issue Multifamily Mortgage Revenue Bonds through calendar year 2024. Ability to issue variable rate debt with associated hedges – 94% of resolution debt is fixed rate providing ample capacity for more variable rate debt without stress on the resolution Financial Advisor memo recommending bond structures consistent with debt, swap and

investment policies and with current bond ratings.

Vote Delegating Authority to Issue Single Family Bonds and/or Notes

\$300 million delegation of authority to issue Single Family Mortgage Revenue Bonds through calendar year 2024. Ability to issue variable rate debt with associated hedges – 92% of resolution debt is fixed rate providing ample capacity for more variable rate debt without stress on resolution Ability to finance Down Payment Assistance program Financial Advisor memo recommending bond structures consistent with debt, swap and investment policies and with current bond ratings.

Vote Delegating Authority to Regarding Interest Rate Swap Portfolio

A delegation of authority to amend, replace or terminate existing interest rate swap agreements within the Agency’s portfolio and enter into new interest rate swap agreements in connection with variable rate bonds

The included Financial Advisor Memo provides an explanation of potential transactions that the Agency may enter into, all of which are consistent with the Agency’s Swap, Debt Management and Investment Policies and satisfies the requirements of the State Finance and Governance Board with respect to derivative contracts associated with MassHousing financings.

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

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

The agenda item “Update Relating to Changes to the Downpayment Assistance (“DPA”) Program” was deferred to be presented at the next board meeting.

Chair Pinado then called for a motion to recess the MassHousing meeting to conduct a meeting of the Center for Community Recovery Innovation, Inc. (“CCRI”).

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

VOTED: To recess the MassHousing meeting and convene a meeting of CCRI.

Votes Committing CCRI Funds

Nichole Mikshenas presented recommendations and vote for FY24 Round 2 for CCRI grants. The grant recommendations are as follows: \$100,000 for Steppingstone, Inc. of Fall River to preserve 28 units for women and children; \$40,000 for Power Forward Inc. of Marshfield for MASH Certified Sober Homes for their Dog Ownership Enhancing Recovery (DOER) program; \$40,000 for Housing Support, Inc. of Amesbury to support 25 HUD SROs to increase occupancy and maintain tenants; and \$40,000 to St. Francis House of Boston for their Intensive Outpatient Treatment Pilot Program. These grants total \$220,000 and will serve an estimated 385 people.

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

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

Noting there was no other business requiring action or discussion, Chair Pinado adjourned the CCRI meeting and reconvened the MassHousing meeting.

Loan Committee

Hotel Raymond, Fitchburg

Sarah Hall presented a proposal for approval to accept assignment of a HUD-issued firm commitment for FHA insurance, commitment of a first mortgage loan and approval to finance the new loan through the issuance of a Ginnie Mae MBS as presented in the attached board package.

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.

Springate Apartments, Rockland

Kelly Condon presented a proposal for a Level One Transfer of Ownership for Springate Apartments in Rockland as presented in the attached board package.

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.

(Herby Duverné recused himself from the discussion and vote for the Supplemental Loans and left the meeting at 3:00pm)

(Kaitlyn Connors left the meeting at 3:04pm)

Mill Pond Apartments, Taunton School Street Apartments, Taunton Canterbury Tower Apartments, Worcester

Bill Dunn presented proposals for Commitment of Taxable Supplemental Loans for Mill Pond Apartments, Taunton; School Street Apartments, Taunton; and Canterbury Tower Apartments,

Worcester, as presented in the attached board package.

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 3:09 p.m.

A true record.

Attest.



Colin M. McNiece
Secretary

Materials:

- CEO's Report, February 13, 2024
- Board Package, February 13, 2024

CEO's Report

April 9, 2024

Massachusetts
Community Climate
Bank (MCCB)
Updates

1. About the MCCB
2. Rental Products
3. Single-Family
4. MCCB's Next Phases

1.

About the MCCCB

The Link between Housing and MA Climate Goals

The MCCB's initial focus is to **support decarbonization of the building sector**, because this is key to meeting the Commonwealth's climate goals.

Clean Energy and Climate Plan for 2050

Net zero by 2050 requires an 85% reduction in GHG emissions from 1990 levels and a level of total emissions equal in quantity to the amount that is removed from the atmosphere and attributable to the Commonwealth.



On-site combustion of **fossil fuels in the residential and commercial buildings'** subsectors was **responsible for 30% of statewide GHG emissions** in 2020.

39% of residential building square footage **was built prior to 1950**, and **66% was built prior to 1980**.

Even by 2050, **structures that exist today will still represent over 80%** of the total building stock.

Sources:

- The Commonwealth of Massachusetts. (2020). *Building Sector Report: A Technical Report of the Massachusetts 2050 Decarbonization Roadmap Study*. The Commonwealth of Massachusetts. <https://www.mass.gov/doc/buildings-sector-technical-report/download>.
- The Commonwealth of Massachusetts. *Massachusetts Clean Energy and Climate Metrics*. The Commonwealth of Massachusetts, [Massachusetts Clean Energy and Climate Metrics | Mass.gov](https://www.mass.gov/doc/massachusetts-clean-energy-and-climate-metrics)

Addressing New Construction and Rehabilitation

Attaining 2050 emission reduction goals will require a simple annual average of:

- **90,000 retrofits** for existing residential units, both single-family and multifamily
- **7,000 new construction high performance** units



Stone Mill, Lawrence

MassHousing financed the first all-electric mill conversion in MA, turning a vacant property into 86 units of affordable rental housing.



Castle Square, Boston

MassHousing financed a deep energy retrofit of the 500-unit development, resulting in 50% reduction in energy usage.



25 Sixth Street, Chelsea

MassHousing financed this new 56-unit rental and homeownership development that will meet Passive House standards.



MassHousing Borrower's Home, Lowell

Source: The Commonwealth of Massachusetts. (2020). *Building Sector Report: A Technical Report of the Massachusetts 2050 Decarbonization Roadmap Study*. The Commonwealth of Massachusetts. <https://www.mass.gov/doc/buildings-sector-technical-report/download>

About the MCCB

MCCB is the first climate bank in the nation to launch with a **specific focus on decarbonizing affordable housing**.



Mission | MCCB's mission is to **facilitate investment in projects that will reduce greenhouse gas emissions** in key sectors of the Massachusetts economy.

Purpose | MCCB **invests public and private resources** in financing products and services that **advance the Commonwealth's 2050 climate goals**.

2.

Rental Products

About the Greenhouse Gas Reduction Funds

The **Greenhouse Gas Reduction Fund (GGRF)** is a historic **\$27 billion fund** that was part of President Biden's Inflation Reduction Act to mobilize financing and private capital **to address the climate crisis, promote energy independence, and bring economic revitalization** to low-income and disadvantaged communities.

GGRF will be **administered by the US Environmental Protection Agency (EPA)**, which released the Notice of Funding Availability (NOFO) in July.

The **GGRF** is made up of three funds:

National Clean
Investment Fund (NCIF)
\$14 billion

Clean Communities
Investment Accelerator (CCIA)
\$6 billion

Solar for All (SFA)
\$7 billion

Rental Product Next Steps

The GGRF winners are expected to have products to share in the summer.

The MCCB is working with the MassHousing Rental team to do the following:

1

Review term sheets and product offerings for GGRF to determine best fit with MCCB/MassHousing pipeline for new construction, preservation, and adaptive re-use.

2

Develop a short list of priority rental developments that can use GGRF funds in the next 9-12 months.

3

Work with DOER to align and support the administration of state grant funds from the LMI Decarbonization Grant Program and Climate Ready Housing alongside potential GGRF funds.

3.

**Single-Family |
Energy Saver Home
Loan Program
(ESHLP)**

Energy Saver Home Loan Program (ESHLP)

- The Energy Saver Home Loan Program will **assist homeowners to cut their energy use and reduce or eliminate their reliance on fossil fuels**. The Program will provide financing and technical support to households and/or for measures not covered by other programs such as Mass Save®.
- Homeowners must be **income-qualified (<135% AMI) owner-occupants**, either of a single-family home or of at least one unit in a residential property that can include up to 4 contiguous residential units (“1-4 family homes”)
- The work to be performed (inclusive of all rebates and incentives) must **demonstrate modeled energy savings of at least 20%** using federal Department of Energy (DOE) minimum BPI 2400 energy modeling software.
- The loan program will be delivered through a **statewide network of lenders** that have established relationships with MassHousing, the sponsoring agency of the MCCB™.

Program Benefits

Affordability

- Low rate (0-2%) and long-term financing (15-30 years)
- No cash down and no waiting for rebate/incentive payments

Accessibility

- Flexible credit, Debt to Income (DTI) and Combined Loan-to-Value (CLTV) requirements tailored to meet the needs of low- and moderate-income homeowners
- Wide range of eligible improvements that support emissions reduction and healthier homes

Customer Service

- Concierge service for homeowner applicants throughout the home improvement process
- Identification and coordination of all available financial supports and incentives
- MassHousing loan servicing and post-construction support

4.

MCCB's Next Phases

MCCB has Completed its Start-Up Phase

**06/2023 –
02/2024**



Announced MCCB and MassHousing as institutional home.



Established relationships with NCIF and CCIA applicants with support from Forsyth and CIA.



Established MCCB's presence and foundational documents for external visibility.



Hired first dedicated MCCB staff member (Director of Policies and Programs).



Conducted research to inform the Operating Plan.



Completed MCCB Operating Plan.



Developed relationships with key partners and developed initial strategies for coordinated policy and program delivery with other state agencies.

Phase 1 Launch

03/2024 – 12/2024

- Announce and launch single family loan product (April 2024).
- Hire additional staff.
- Secure Greenhouse Gas Reduction Fund commitments from national consortiums that receive EPA awards to support multifamily development (both preservation and new construction projects), with timing dependent on GGRF awards.
- Establish formal partnerships and complete contract agreements with other state agencies for administration of decarbonization loan funds for affordable housing.
- Establish MCCB energy benchmarking and impact measurement plans/protocols.

Phase 2 Growth

01/2025 – 12/2027

- ❑ Continue to secure and invest GGRF funds in multifamily preservation and new construction.
- ❑ Pursue additional GGRF funds for single-family mortgage lending.
- ❑ Continue to scale up single-family and multifamily lending through MassHousing channels.
- ❑ Establish mechanisms for delivering decarbonization financing through other partners and channels (e.g. MassDevelopment, MassCEC, MHP).
- ❑ Develop and implement plan to secure recurring revenues for MCCB.
- ❑ Explore opportunities for additional dedicated private capital to support enhanced MCCB lending activities.
- ❑ Review MCCB's operating plan and assess needs and opportunities for next phase of growth.

Phase 3 Stabilized Funding

01/2028 Onward

- Commission third-party evaluation of MCCB impacts over first five years.
- Revisit and refine energy benchmarking and impact measurement protocols.
- Assess market needs and pursue opportunities for non-residential lending through MCCB.
- Use recurring revenue to collateralize new MCCB loan products based on market needs/gaps.
- Update MCCB's mission and purpose statements, if needed.

Questions?
Comments?

Thank You!





Massachusetts Housing Finance Agency
One Beacon Street Boston, MA 02108

Tel: 617-854-1000 | Relay 711
Fax: 617-854-1091 | www.masshousing.com

Posted: April 3, 2024 @ 1:50 p.m.
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, April 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://us06web.zoom.us/j/84857840321>
The Zoom meeting ID is: 848 5784 0321
The Zoom Passcode is: 329844**

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 February 13, 2024
- C. Chief Executive Officer's Report
- D. Update Relating to Changes to the Downpayment Assistance ("DPA") Program

Maura Healey, Governor
Kim Driscoll, Lt. Governor

Jeanne Pinado, Chair
Carolina Avellaneda, Vice Chair

Chrystal Kornegay,
Chief Executive Officer

2. LOAN COMMITTEE

- A. 41 LaGrange Street 4%, Boston (Chinatown)
- Commitment of a Permanent Tax-Exempt Loan
 - Commitment of a Tax-Exempt Bridge Loan
 - Commitment of a Middle-Income Housing Subordinate Loan
 - Approval for the Use of Low-Income Housing Tax Credits
- B. 41 LaGrange Street 9%, Boston (Chinatown)
- Commitment of a Permanent Taxable Loan
 - Commitment of an Opportunity Fund Loan
- C. Columbia Uphams Apartments, Boston (Dorchester)
- Official Action Status
 - Commitment of a Tax-Exempt Construction to Permanent Loan
 - Commitment of a Tax-Exempt Construction Equity Bridge Loan
 - Commitment of a Taxable Subordinate Loan
 - Resubordination of an Existing PDF Loan
 - Approval of 4% Tax Credits
 - Level One Transfer of Ownership
- D. Meshacket Commons, Edgartown
- Commitment of a Tax-Exempt Permanent Loan
 - Commitment of Tax- Exempt Bridge Loan
 - Approval for the Use of Low-Income Housing Tax Credits
- E. Province Post, Provincetown
- Official Action Status
 - Commitment of a Tax-Exempt Permanent Loan
 - Commitment of a Tax-Exempt Equity Bridge Loan
 - Commitment of a Workforce Housing Loan
 - Approval for the Use of Low-Income Housing Tax Credits
- F. Old Colony Phase Six, Boston (South Boston)
- Official Action Status
 - Commitment of a Tax-Exempt Construction and Permanent Loan
 - Commitment of a Tax-Exempt Construction Equity Bridge Loan
 - Commitment of a Taxable Construction Bridge Loan
 - Approval for the Use of Low-Income Housing Tax Credits

Meeting Notices

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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

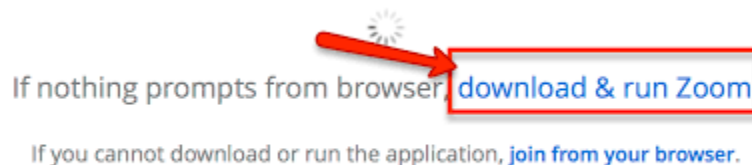
One tap mobile
+13126266799,,6881564212# US (Chicago)
+16465588656,,6881564212# US (New York)

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)



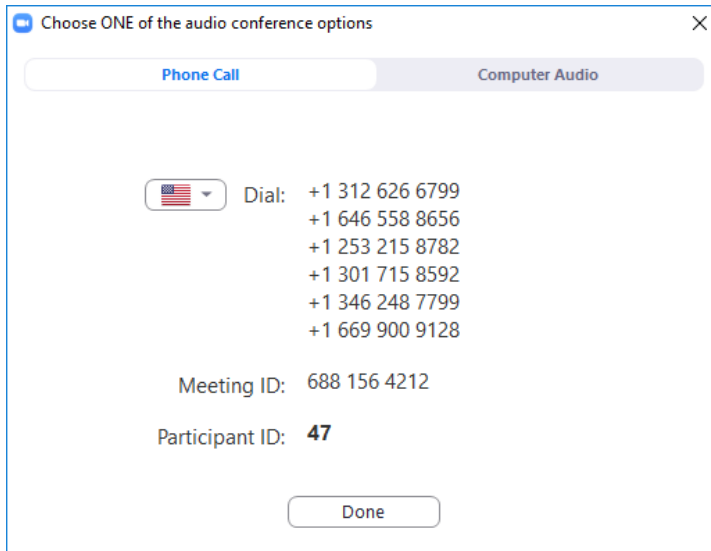
3. If Zoom does NOT automatically download and install. Click Download & run Zoom

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

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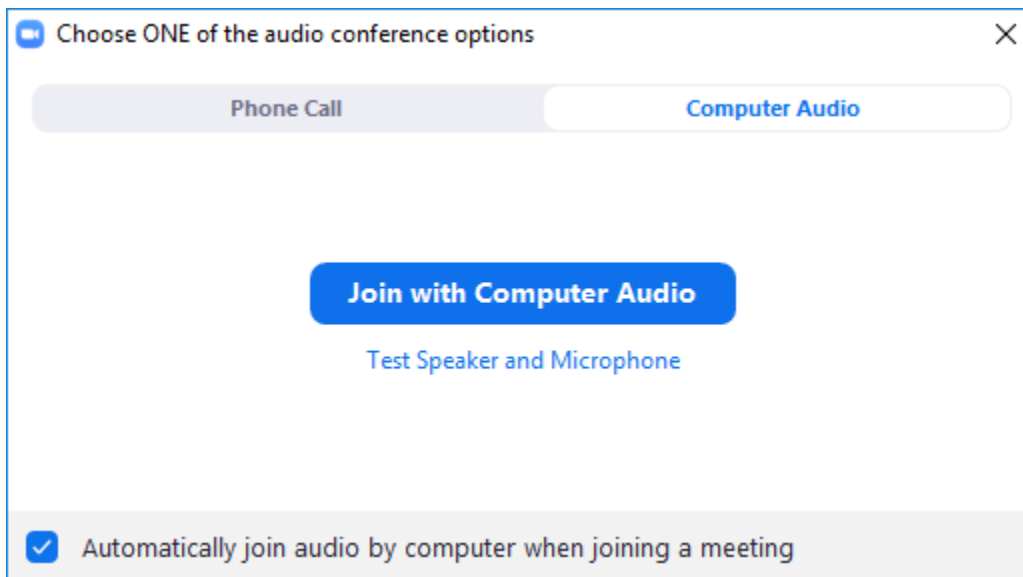
4. You will be provided with Audio Options.

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.

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Rachel Madden presented the following delegations of authority:

Delegating Authority to Issue Multifamily Bonds and/or Notes

\$600 million delegation of authority to issue Multifamily Mortgage Revenue Bonds through calendar year 2024. Ability to issue variable rate debt with associated hedges – 94% of resolution debt is fixed rate providing ample capacity for more variable rate debt without stress on the resolution Financial Advisor memo recommending bond structures consistent with debt, swap and

investment policies and with current bond ratings.

Vote Delegating Authority to Issue Single Family Bonds and/or Notes

\$300 million delegation of authority to issue Single Family Mortgage Revenue Bonds through calendar year 2024. Ability to issue variable rate debt with associated hedges – 92% of resolution debt is fixed rate providing ample capacity for more variable rate debt without stress on resolution Ability to finance Down Payment Assistance program Financial Advisor memo recommending bond structures consistent with debt, swap and investment policies and with current bond ratings.

Vote Delegating Authority to Regarding Interest Rate Swap Portfolio

A delegation of authority to amend, replace or terminate existing interest rate swap agreements within the Agency’s portfolio and enter into new interest rate swap agreements in connection with variable rate bonds

The included Financial Advisor Memo provides an explanation of potential transactions that the Agency may enter into, all of which are consistent with the Agency’s Swap, Debt Management and Investment Policies and satisfies the requirements of the State Finance and Governance Board with respect to derivative contracts associated with MassHousing financings.

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

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

The agenda item “Update Relating to Changes to the Downpayment Assistance (“DPA”) Program” was deferred to be presented at the next board meeting.

Chair Pinado then called for a motion to recess the MassHousing meeting to conduct a meeting of the Center for Community Recovery Innovation, Inc. (“CCRI”).

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

VOTED: To recess the MassHousing meeting and convene a meeting of CCRI.

Votes Committing CCRI Funds

Nichole Mikshenas presented recommendations and vote for FY24 Round 2 for CCRI grants. The grant recommendations are as follows: \$100,000 for Steppingstone, Inc. of Fall River to preserve 28 units for women and children; \$40,000 for Power Forward Inc. of Marshfield for MASH Certified Sober Homes for their Dog Ownership Enhancing Recovery (DOER) program; \$40,000 for Housing Support, Inc. of Amesbury to support 25 HUD SROs to increase occupancy and maintain tenants; and \$40,000 to St. Francis House of Boston for their Intensive Outpatient Treatment Pilot Program. These grants total \$220,000 and will serve an estimated 385 people.

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

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

Noting there was no other business requiring action or discussion, Chair Pinado adjourned the CCRI meeting and reconvened the MassHousing meeting.

Loan Committee

Hotel Raymond, Fitchburg

Sarah Hall presented a proposal for approval to accept assignment of a HUD-issued firm commitment for FHA insurance, commitment of a first mortgage loan and approval to finance the new loan through the issuance of a Ginnie Mae MBS as presented in the attached board package.

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.

Springate Apartments, Rockland

Kelly Condon presented a proposal for a Level One Transfer of Ownership for Springate Apartments in Rockland as presented in the attached board package.

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.

(Herby Duverné recused himself from the discussion and vote for the Supplemental Loans and left the meeting at 3:00pm)

(Kaitlyn Connors left the meeting at 3:04pm)

Mill Pond Apartments, Taunton School Street Apartments, Taunton Canterbury Tower Apartments, Worcester

Bill Dunn presented proposals for Commitment of Taxable Supplemental Loans for Mill Pond Apartments, Taunton; School Street Apartments, Taunton; and Canterbury Tower Apartments,

Worcester, as presented in the attached board package.

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 3:09 p.m.

A true record.

Attest.

Colin M. McNiece
Secretary

Materials:

- CEO's Report, February 13, 2024
- Board Package, February 13, 2024

MASSHOUSING DPA 4.0

CHANGES MADE TO DOWN PAYMENT ASSISTANCE

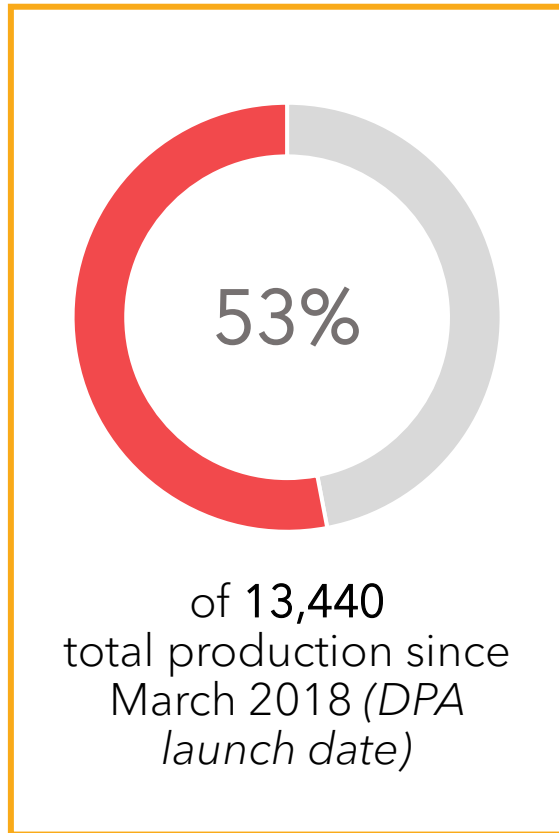
Mounzer Aylouche

VP of Homeownership Programs

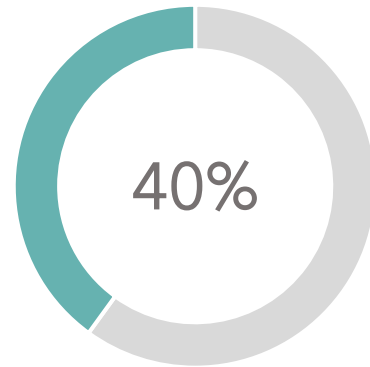
April 9th, 2024

DPA STATS SINCE INCEPTION

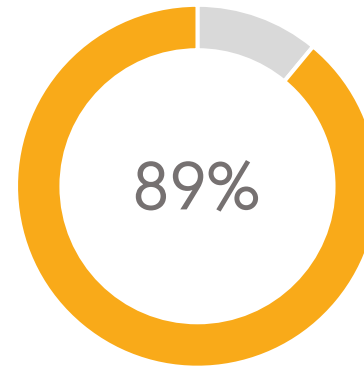
Total of 7,059 DPA loans originated and purchased



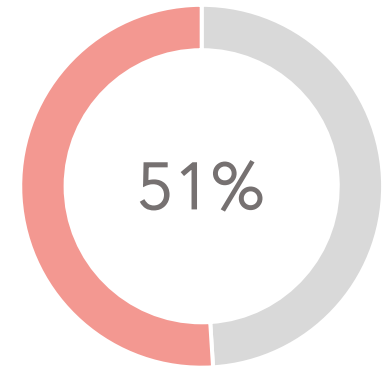
of that...



2,794
BIPOC borrowers



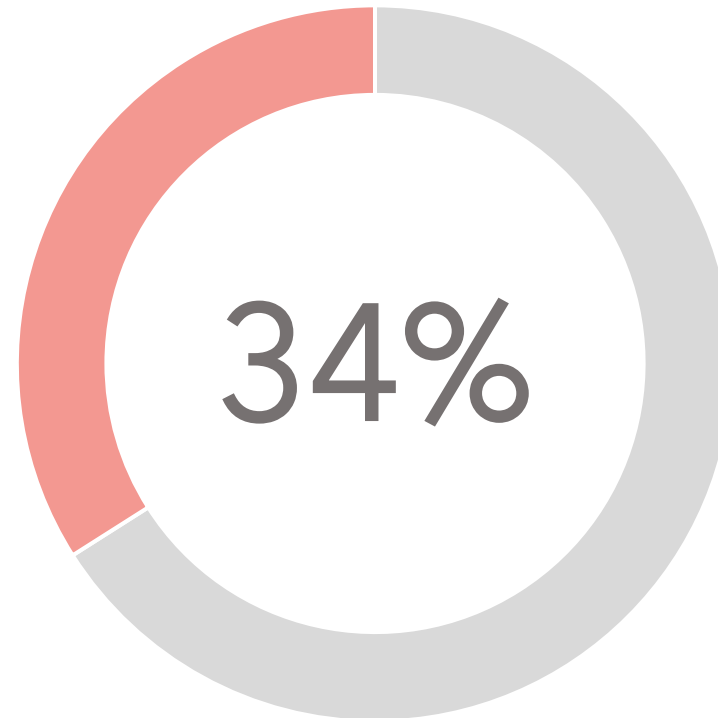
6,235
below 80% AMI



3,584
in GWC

MassDREAMS WITH DPA

Out of the 1,140 MassDREAMS loans 384 had DPA

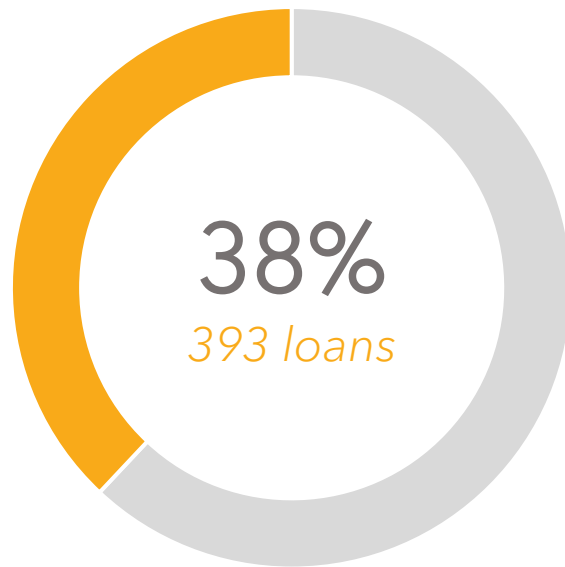


Average DPA with MassDREAMS Grant: \$22,327

WORKFORCE ADVANTAGE (WFA) FY23-24 PRODUCTION

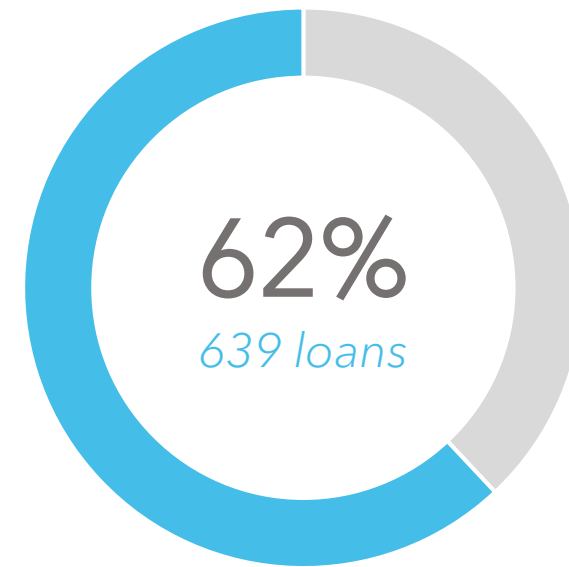
Total of 1,029 WFA loans originated and purchased

Gateway Cities (GWC)



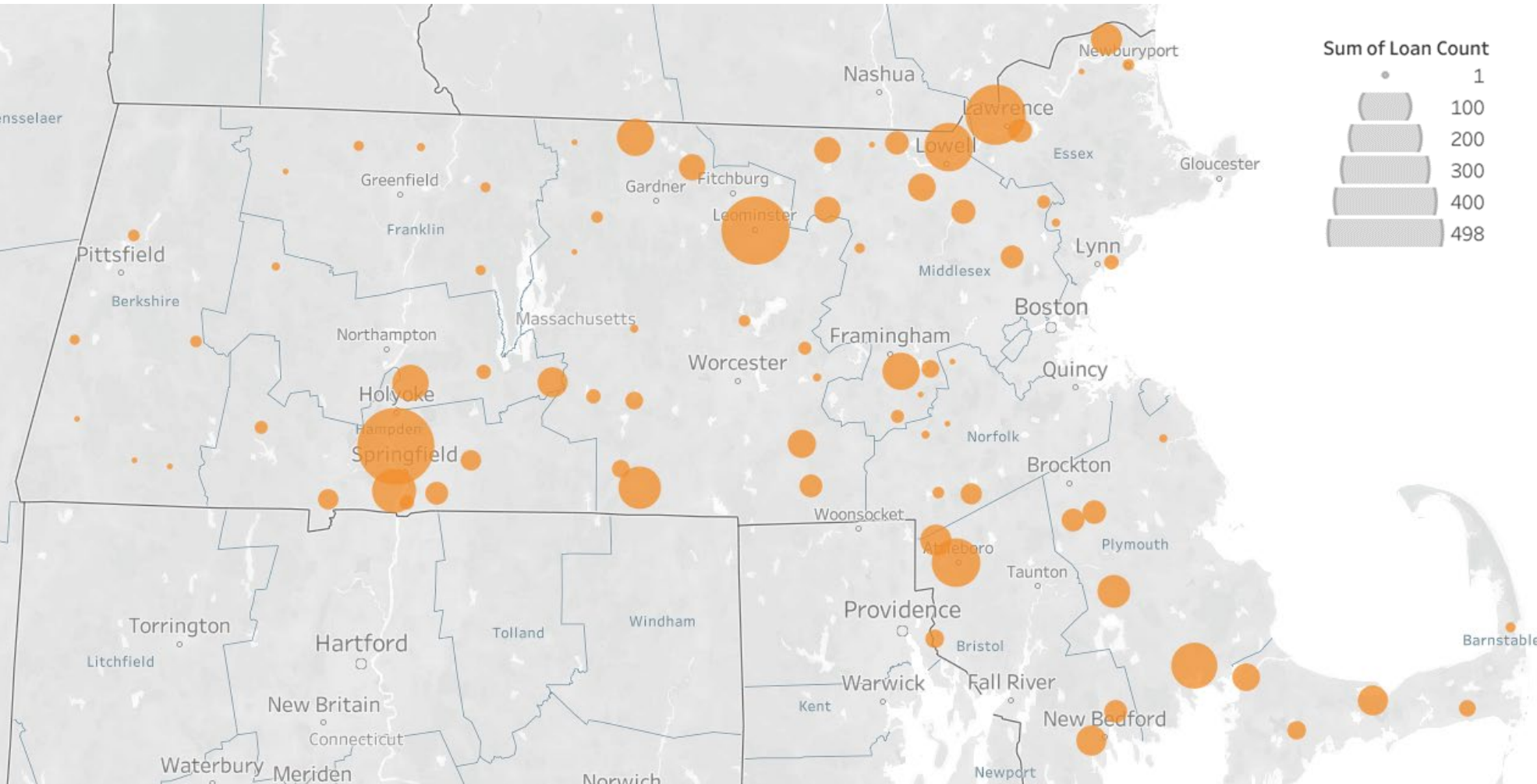
Average DPA in GWC: \$31,762.91

Non-Gateway Cities (Non GWC)



Average DPA in Non GWC: \$25,255.77

CURRENT DPA MAP



TOP 10 Cities

1. Springfield, 498
2. Worcester, 406
3. New Bedford, 265
4. Brockton, 264
5. Lynn, 199
6. Boston, 198
7. Fitchburg, 196
8. Chicopee, 170
9. Fall River, 170
10. Lowell, 170

WFA CHANGES WITH DPA 4.0

Old WFA / DPA 3.0

Transaction Type	Purchase
Eligible Borrower	FTHBs that meet Household Income and Acquisition Cost limit for the property location
Property Type	1 to 2 Units including condominiums
Features	<p>DPA Loan Amount equal to 10% of the sales price or \$50k, whichever is less, in Gateway Communities and the City of Boston, Framingham, and Randolph.</p> <p><i>The remaining cities/towns are equal to 10% of the sales price or \$30k, whichever is Less</i></p>
Terms	Second Mortgage is 0% deferred and due upon Sale, Refinance or Payoff of the First Mortgage

New WFA / DPA 4.0

Transaction Type	Purchase
Eligible Borrower	FTHBs that meet Household Income and Acquisition Cost limit for the property location
Property Type	1 to 4 Units including condominiums
★ Features	<p>DPA Loan amount equal to \$30K flat.</p> <p><i>Available in all cities/towns of the Commonwealth.</i></p>
Terms	Second Mortgage is 0% deferred and due upon Sale, Refinance or Payoff of the First Mortgage

FTHB CHANGES WITH DPA 4.0

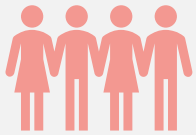
Old FTHB / DPA 3.0

Transaction Type	Purchase
Eligible Borrower	FTHBs that meet Household Income and Acquisition Cost limit for the property location
Property Type	1 Unit/Condo/PUD, 2 - 4 Unit
Features	Statewide - Loan Amount equal to 5% of the sales price or \$15k, whichever is less.
Terms	2% interest rate, fully amortized 15 year-fixed rate and is due upon sale or refinance of the property.

New FTHB / DPA 4.0

Transaction Type	Purchase
Eligible Borrower	FTHBs that meet Household Income and Acquisition Cost limit for the property location
Property Type	1 Unit/Condo/PUD, 2 - 4 Unit
★ Features	<p>DPA Loan amount equal to \$25K flat.</p> <p><i>Available in all cities/towns of the Commonwealth.</i></p>
Terms	2% interest rate, fully amortized 15 year-fixed rate and is due upon sale or refinance of the property.

WHY DID WE MAKE THESE CHANGES?



Uniform DPA amount provides equity to all communities across the Commonwealth



Flat structure provides flexibility for the Lender to allocate resources that most benefit the borrower



The flat DPA will increase affordability in lower cost markets



The flat DPA will improve purchasing power in higher cost markets

THANK YOU!

Loan Commitment Proposal | April 9, 2024

41 LaGrange Street 4%

1. General Project Information	
Project Name	41 LaGrange Street 4%
Project ID	17-101
Associated Projects	41 LaGrange Street 9%
Address(es)	41 LaGrange Street, Boston, MA 02116
Sponsor	Planning Office for Urban Affairs, Inc. (“POUA”) and St. Francis House, Inc. (“SFH”)
Transaction Type	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	106
Affordability Mix	71 Affordable 35 Middle-Income

2. Recommended Actions

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

The proposed financing will support the new construction of 41 LaGrange Street 4% (the “Development”), a proposed 106-unit development in the Chinatown neighborhood of Boston.

The Development is part of a larger project which has been separated into two transactions – the 106-unit tax-exempt 4% LIHTC transaction, which is the subject of this commitment proposal, and a 20-unit taxable 9% LIHTC transaction (the “9% Development”).

The combined development will contain a new construction 19-story elevator building providing 126 residential units.

3. MassHousing Financing	
First Loan	
Type	Tax-Exempt Permanent Loan
Loan Amount	\$23,500,000
Interest Rate	30-Year MMD plus 252 basis points (bps) to be locked at Construction Loan Closing (processing rate of 6.47% assumed for underwriting)
Loan Term / Amortization	40 y / 40 y
Term of Fwd Commitment	30 mo
Equity Bridge Loan	
Type	Tax-Exempt Equity Bridge Loan
Loan Amount	\$33,532,000
Interest Rate	SOFR plus 210 bps to be locked at Construction Loan Closing (processing rate of 7.54% assumed for underwriting)
Loan Term/Amortization	6 mo / interest only
Junior Loan	
Type	Middle-Income Housing Loan
Loan Amount	\$3,000,000
Interest Rate	1.0%
Loan Term/Amortization	40 y / non-amortizing
Terms of Cash Flow Sharing	To the extent there is cashflow during operations, 50% will be split between MassHousing and the other subordinate lenders on a pari-passu basis, with MassHousing's share being used to service principal and interest on the Loan.

4. Development Plan

Description of Site. The site is currently a vacant lot located in downtown Boston and is in close proximity (0.10 miles) to the Boylston MBTA station.

Description of Existing or Proposed Building. The combined 41 LaGrange 4% and 9% development will comprise a newly constructed, 19-story building consisting of 126 affordable apartment units. Ownership of the Development and 9% Development will be established as two condominium units, containing 106 and 20 apartments, respectively. The building's first floor will include a lobby, with adjacent spaces for a management office, 24-hour security/front desk, mail and package delivery areas, and a resident lounge. The second floor will include an equipped fitness center, a second lounge with seating and work booths, and offices for on-site service providers. The residential units will be located on floors three through nineteen. This transit-oriented property will have no onsite parking. The Development will consist of fifty (50) studio units, eighteen (18) one-bedroom units, and thirty-eight (38) two-bedroom units.

The combined development will be an all-electric building. HVAC will be provided through a Variable Refrigerant Flow (VRF) system that includes roof-mounted outdoor condensing units and wall-mounted heat pump units within each residential unit. A central, roof-mounted Energy Recovery Unit (ERU) provides exhaust and fresh air to the corridors and residential units through vertical shafts and horizontal distribution ductwork.

Description of Affordability Mix. All 106 units will be subject to income restrictions with set-asides ranging from 30% of Area Median Income (“AMI”) to 80% of AMI.

Sixty (60) units will be set-aside for Permanent Supportive Housing (“PSH”) households earning up to 30% of AMI and will benefit from project-based rental assistance. Of the 60 units, 50 will benefit from a Project-Based Section 8 contract and 10 will benefit from Project-Based MRVP.

Site Control. An affiliated entity, SFH 48 Boylston Street LLC, purchased the land in 2017, as evidenced by a deed.

5. Borrower Team

Mortgagor Entity: 41 LaGrange Street Four LLC

41 LaGrange Street Four LLC is a sole-asset, single-purpose entity formed for the purposes of owning and operating the Development.

Developer / Sponsor: POUA and SFH

POUA is a non-profit housing developer affiliated with the Roman Catholic Archdiocese of Boston. Since its establishment in 1969, POUA has developed over 3,000 units of elderly, family, mixed-income and special needs housing, channeling over \$650 million of investment into developments throughout metropolitan Boston.

SFH was founded in 1984 to meet the needs of people experiencing poverty and homelessness. SFH is the largest day shelter in the Commonwealth, serving nearly 500 individuals each day.

General Partner / Managing Member: 41 LaGrange Street Four MM LLC

The managing member of 41 LaGrange Street Four MM LLC will be SFH 48 Boylston Street LLC, a 50/50 entity between POUA and St. Francis House, with POUA as the managing member of SFH 48 Boylston Street, LLC.

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.

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

Management Company: Maloney Properties, Inc.

Maloney Properties, Inc. is a women-owned firm established in 1981 that provides professional property management services throughout New England. Currently, Maloney Properties manages over 10,000 units of housing, including over 1,950 units in 20 properties in MassHousing’s loan portfolio.

Architect: The Architectural Team, Inc.

The Architectural Team (“TAT”) is a master planning, architecture and interior design firm established in 1971. The 95+ person firm has earned more than 100 awards for design excellence across a broad range of building types and programs.

General Contractor: Dimeo Construction

Dimeo Construction Company is one of the largest construction companies in New England and has been in operation since 1930. Dimeo’s over 225 professionals, located in full service regional offices in Boston, Providence, and New Haven provide preconstruction and construction services.

6. Summary of MassHousing-Sponsor Relationship	
Number of Projects with MassHousing Debt	4
Total Units with MassHousing Debt	142
Outstanding MassHousing Principal Debt	\$9,690,015
Adverse Actions Against the Borrower Team	No
Current on Obligations with MassHousing	Yes
Property Management Affiliate	No

MassHousing Staff	
Origination	Mike Carthas, Originator Amanda Melick, Analyst
Underwriting	Caroline Dylag, Underwriter
Asset Management	Serena Kay, Asset Manager

7. Unit Mix

Unit Size	Total Units	LIHTC-Eligible*										Market Comparison
		MRVP 30% AMI		PB-S8 30% AMI		LIHTC 50% AMI		LIHTC 60% AMI		WFH 80% AMI		
		Count	Rent	Count	Rent	Count	Rent	Count	Rent	Count	Rent	
0 BR	50	5	\$2,178	44	\$3,050	1	\$1,264	-	-	-	-	TBD
1 BR	18	4	\$2,326	6	\$3,325	1	\$1,340	3	\$1,619	4	\$2,176	TBD
2 BR	38	1	\$2,742	-	-	-	-	6	\$1,919	31	\$2,587	TBD
Total	106	10		50		2		9		35		

* Rents net of utility allowances.

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

Project-Based Rental Subsidy	
Type	MRVP
Term	20 y
Administrator	MetroHousing Boston
Lesser of Section 8 and market rents.	

8. Operating Overview

Underwritten Operating Expenses	\$1,484,400 (approximately \$14,000 per unit)
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Basis of Operating Costs. Borrower proposed budget and comparable properties in the MassHousing portfolio.

9. Project Costs

Core Residential Costs	
Base	\$63,212,342
Extraordinary	\$50,774,150
Total	\$113,986,492
Total Development Cost	
Total	\$113,986,492

Project Construction Costs	
Total Construction Cost	\$80,442,238
Construction per Square Foot	\$698

Background on Extraordinary Residential Costs. The high development costs are driven by two factors. The first relates to the costs attributable to high-rise construction at the 19-story development, most notably for the deep foundation system, reinforced concrete walls, columns, and slabs, and a tower crane. The second factor relates to costs associated with the extremely tight construction site and its limited laydown space.

10. Sources and Uses

Sources of Funds	Total
MH Permanent Loan	\$23,500,000
MH Middle-Income Housing Loan	\$3,000,000
LIHTC	\$52,851,071
State LIHTC	\$10,269,500
EOHLC	\$2,925,000
City of Boston	\$5,205,955
HOME/CBH/HIF	\$2,150,000
Additional City Award	\$4,250,000
Additional EOHLC Award	\$4,900,000
Deferred Developer Fee	\$4,934,964
Total Sources	\$113,986,492

Core Residential Uses of Funds	Total	
		<i>Per Unit</i>
Acquisition	\$4,483,608	\$42,298
Construction	\$80,442,238	\$758,889
Construction Contingency	\$4,022,112	\$37,944
General Development	\$16,500,550	\$115,666
Operating Reserves	\$1,537,984	\$14,509
Overhead	\$3,500,000	\$33,019
Fee	\$3,500,000	\$33,019
Total Residential Uses	\$113,986,492	\$1,075,344

Base Costs		Extraordinary Costs	
	<i>Per Unit</i>		<i>Per Unit</i>
\$4,483,608	\$42,298		
\$42,499,238	\$400,936	\$37,943,000	\$357,953
\$2,124,962	\$20,047	\$1,897,150	\$17,898
\$9,594,550	\$90,515	\$6,906,000	\$65,151
\$811,984	\$7,660	\$726,000	\$6,849
\$1,849,000	\$17,443	\$1,651,000	\$15,575
\$1,849,000	\$17,443	\$1,651,000	\$15,575
\$63,212,342	\$596,343	\$50,774,150	\$479,001

Total Uses	\$113,986,492
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11. First Year Income and Expenses

Income		
Rental Income – Project-Based Rental Subsidy		\$1,294,512
Rental Income – Non-Rental Subsidy		\$2,125,032
Gross Potential Residential Income		\$3,419,544
Vacancy – Project-Based Rental Subsidy	2.5%	(\$60,172)
Vacancy – Non-Rental Subsidy	5%	(\$53,126)
Gross Residential Income		\$3,306,247
Effective Gross Income		\$3,306,247

Expenses		
Residential Operating Expenses		\$1,484,451
Net Operating Income		\$1,821,795
Debt Service		(\$1,620,947)
Cash Flow		\$200,848

Debt Service Coverage 1.12

Residential Operating Expense Detail			<i>Per Unit</i>
Management Fee	5.0%	\$165,312	\$1,560
Administrative Costs		\$220,996	\$2,085
Maintenance Costs		\$378,118	\$3,567
Resident Services		\$14,167	\$134
Security		\$10,950	\$103
Utilities (water and sewer, hot water)		\$254,400	\$2,400
Insurance		\$116,600	\$1,100
Taxes		\$226,998	\$2,141
Replacement Reserves		\$38,160	\$360
Mortgage Insurance Premium		\$58,750	\$554
Total		\$1,484,451	\$14,004

Operating Expenses as a Percent of EGI 44.9%

12. Underwriting

1. **Condominium Ownership Structure.** 41 LaGrange Street 4% will be one of two condominium units included in the 19-story, 126-unit development, The Borrower, as owner of the Development with its 106 apartment units, will hold an 88.25% ownership interest in the condominium. MassHousing review and approval of the final condominium documents will be required prior to loan closing.
2. **Resident Services and Security Expenses.** Resident services will be provided, and security expenses will be subsidized by SFH under a Resident Services and Security Payment Agreement (the “RSSP Agreement”) among SFH, the Borrower and 9% Development owner. Although the development owners will share a portion of the costs of these services and expenses (approximately \$100,467 annually, or 9.5% of the total amount \$1,061,477), allocated between the two developments, the remaining cost (approximately \$961,011 or 90% of the total annual amount of \$1,061,477) will be covered by SFH, which will receive funding for its expenses through a Housing Stability Support Contract between the Executive Office of Health and Human Services and SFH.
 - **Resident Services:** The Development will have sixty PSH Units for the formerly homeless. The resident services provided align with SFH’s mission to support adults who are exiting homelessness and in need of ongoing support to ensure successful transitions into housing and to remain stable in that housing. The RSSP Agreement will contractually obligate SFH to provide these services. The Development will pay for a portion of these costs. The comprehensive supportive services program proposed includes personalized services coordination including referrals to direct services and assistance with access to mainstream benefits, transportation arrangement, training on-site or coordination with community services on activities of daily living, as well as discharge planning.
 - **Security Expenses:** Under the RSSP Agreement, the development owners will be responsible for contracting with a third-party security firm to provide services to the combined developments on a 24/7 basis. The development owners will be responsible for \$43,800 annually, increasing by 3% per year for security services, which are currently estimated at \$262,800 annually. SFH, in turn, will be obligated to pay the balance of the security costs (\$219,000 annually) on a monthly basis upon receipt of invoices from the development owners.

As a condition of commitment, MassHousing review and approval of the RSSP Agreement shall be required prior to loan closing, and as mitigation of the risks presented by the potential loss or reduction of service and/or funding provided under the RSSP Agreement over the term of the permanent loan, MassHousing shall require, as a condition of commitment, that (i) neither party shall terminate the RSSP Agreement

without prior written consent from MassHousing; and (ii) that the required operating escrow amount shall not be reduced during the term of the permanent loan.

3. **Average Income Set-Aside.** The Sponsor proposes using the average income test option available under the Federal tax code to make all units in the Development, including the middle-income housing units, potentially eligible for federal low-income housing tax credits. The use of the Average Income Set-Aside will be subject to EOHLC's approval.
4. **Delayed Investor Admission.** The Sponsor is utilizing an equity structure in which the investor is not admitted as a limited partner until construction completion, with no tax credit equity delivered at construction closing. This structure is projected to save approximately \$2,000,000 on the combined 4% and 9% projects. MassHousing will permit the use of this structure, provided that the tax credit equity investor is admitted no later than the closing of MassHousing's permanent loan, and 20% of equity capital contributions are paid into the transaction by 85% completion. The timing of this first installment will require a waiver to MassHousing's closing standards.
5. **Utility Cost Estimate.** Utility expenses are based on estimates from a project engineering consultant and a utility model is still outstanding. To the extent that the utility model increases projected utility costs, the loan size may be adjusted accordingly.
6. **Other Funding Sources.** The EOHLC and the City of Boston Subordinate Debt Award Letters are outstanding and will be required prior to closing. In the event that any of the projected subordinate sources change, the underwriting will be adjusted accordingly.
7. **Third-Party Reports.** The MassHousing-commissioned appraisal and market study are currently underway. To the extent that either report changes the underwritten rents or loan-to-value the loan size may be adjusted accordingly.

Underwriting Criteria and Loan Terms	41 LaGrange 4%	Underwriting Standards
1. DSCR	1.12x	Minimum of 1.10
2. Term/Amortization	40 y / 40 y	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 programmatic rent cap or rents supported by MassHousing market review	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	<ul style="list-style-type: none"> • 2.5% for PB – Rental Subsidy • 3.0% for LIHTC • 5.0% for middle-income housing 	Minimum of: <ul style="list-style-type: none"> • 2.5% for PB – Rental Subsidy • 3.0% for LIHTC • 5.0% for unrestricted or middle-income 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	\$360 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 20-year capital needs.</p>
8. Operating Expenses	Approximately \$14,000 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.

41 LaGrange Street 4% VOTES AND FINDINGS

PROPOSALS AND VOTES

Mortgage Loans

Staff has reviewed the proposal for (i) permanent and equity 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 \$23,500,000, 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 \$33,532,000 in each case to be made to 41 LaGrange Street Four LLC or another single-purpose entity controlled by the Planning Office for Urban Affairs, Inc. and St. Francis House (the “Borrower”) as owner of the multifamily residential development known as “41 LaGrange Street 4%” (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.

FURTHER VOTED: To approve a subordinate mortgage loan to the Borrower for the Development in an amount not to exceed \$3,000,000 (1) to be funded from that portion of the Opportunity Fund approved by the Members of MassHousing on March 8, 2016, designated and reserved for workforce housing programs and (2) subject to the terms and conditions of MassHousing’s Workforce Program Guidelines adopted by the Members on July 12, 2016, as amended, and to any applicable delegations of authority previously approved by the Members of MassHousing.

FURTHER VOTED: That the amount of 4% Credits, as set by the Chief Executive Officer, 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 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 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 Chief Executive 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 or the Vice President of Multifamily Programs, and (2) such subordinate mortgage loans shall be subject to MassHousing's requirements pertaining to subordinate mortgages, in a manner acceptable to MassHousing's General Counsel or his designee.

STATUTORY FINDINGS AND DETERMINATIONS

Statutory Findings:

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

1. The affordability of rents for 20% of the units:

71 units (67%) 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 February 20, 2024. 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 1,471 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 97.8%, and range between 92% and 100%. None of the five comparables reviewed was offering rental concessions. 1st Qtr. 2024 CoStar data for the subject’s Downtown Boston Multi-Family Submarket (11,500units) has an overall vacancy rate at 3.9% YTD, which is a decrease of 0.10% from one year ago. CoStar data for the Boston market (273, 039 units) has an overall vacancy rate of 5.7% YTD, which is an increase of .51% from one year ago. The Downtown Boston Multi-Family Submarket vacancy rate is projected to stay at 3.9% over the next five years, while the Boston market is projected to decrease to 5.3%.

CoStar, submarket data for the 4-5 Star building type (6,612 units) indicates a 1st Qtr. 2024 vacancy rate of 4.6% and an average asking rent of \$4,157, while submarket data for the subject’s 3 Star building type (2552 units) indicates a 1st Qtr. 2024 vacancy rate of 2.6 % at an average asking rent of \$3,041 and 1-2 Star buildings (730 units) indicates a 1st Qtr. 2024 vacancy rate of 3.6% at an average asking rent of \$2,478. 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 Executive Office of Housing and Livable Communities (EOHLC) 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.

As of January 2024, The 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 15,140 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 this time. The BHA also maintains a Public Housing Wait list with 33,632 applicants. U.S. Census data from the 2017-2022 American Community Survey (ACS) indicates that of the 276,053 households in the City of Boston approximately 77.3% earned less than the HUD published 2023 AMI, approximately 43.8% earned less than 50% of 2023 AMI, approximately 50.4 % earned less than 60% of the 2023 AMI, and approximately 63.5 % 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:

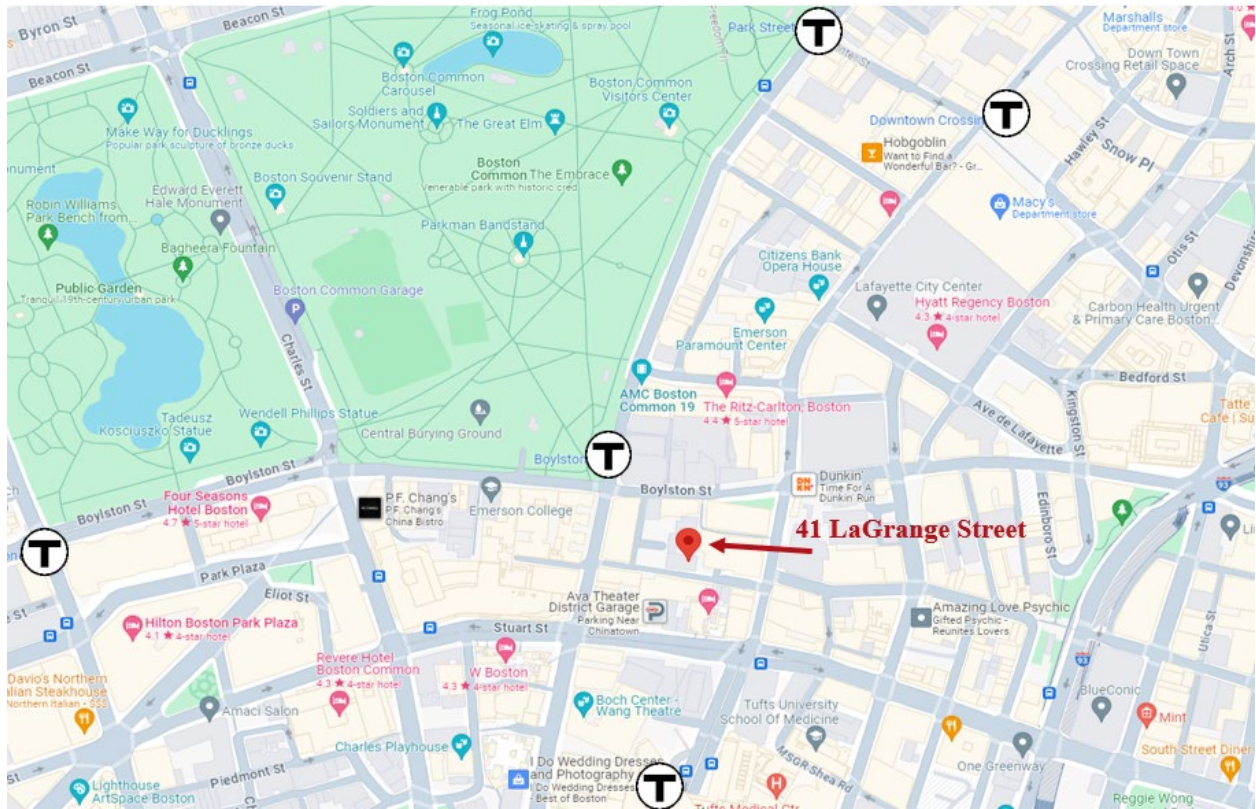
Rent Schedule:

Number of Bedrooms	0	1	2
Number of Units	50	18	38
Net SF/Unit	442	695	838
Elev./Non-Elev.	E	E	E
Market Rate Rent	\$3792	\$3318	\$3351
MHFA Below Market Rent (Cost-Based Rent)	\$2927	\$2453	\$2486
MHFA Adjusted Rent	30% of 60% of AMI		
Underwriting Rents			
MRVP 30% AMI	\$2178	\$2326	\$2742
PBV 30% AMI	\$3050	\$3325	
LIHTC 50% AMI	\$1264	\$1340	
LIHTC 60% AMI		\$1619	\$1919
Middle-Income 80% AMI		\$2176	\$2587

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 Commitment Proposal | April 9, 2024

41 LaGrange Street 9%

1. General Project Information	
Project Name	41 LaGrange Street 9%
Project ID	23-027
Associated Projects	41 LaGrange Street 4%
Address(es)	41 LaGrange Street, Boston, MA 02116
Sponsor	Planning Office for Urban Affairs, Inc. (“POUA”) and St. Francis House, Inc. (“SFH”)
Transaction Type	Production 9%
Funding Type	Forward Commitment of Permanent Loan
Execution Type	Portfolio
Credit Enhancement	None
Approval Type	Board
Total Rental Units	20
Affordability Mix	20 Affordable

2. Recommended Actions

- Commitment of Permanent Taxable Loan
- Commitment of Opportunity Fund

The proposed financing will support the new construction of 41 LaGrange Street 9% (the “Development”), a proposed 20-unit development in the Chinatown neighborhood of Boston.

The Development is part of a larger project which has been separated into two transactions – the 20-unit taxable 9% LIHTC transaction, which is the subject of this commitment proposal, and a 106-unit tax-exempt 4% LIHTC transaction (the “4% Development”).

The combined development will contain a new construction 19-story elevator building providing 126 residential units.

3. MassHousing Financing	
First Loan	
Type	Permanent Loan
Loan Amount	\$1,800,000
Interest Rate	10-Year U.S. Treasury plus 265 basis points (bps) to be locked at Construction Loan Closing (processing rate of 7.05% assumed for underwriting)
Loan Term / Amortization	40 y / 40 y
Term of Fwd Commitment	30 mo
Junior Loan	
Type	Opportunity Fund
Loan Amount	\$500,000
Interest Rate	0.00%
Loan Term/Amortization	40 non-amortizing
Terms of Cash Flow Sharing	To the extent there is cashflow during operations, 50% will be split between MassHousing and the other subordinate lenders on a pari-passu basis, with MassHousing’s share being used to service principal on the Loan.

4. Development Plan

Description of Site. The site is currently a vacant lot located in downtown Boston and is in close proximity (0.10 miles) to the Boylston MBTA station.

Description of Existing or Proposed Building. The combined 41 LaGrange 4% and 9% development will comprise a newly constructed 19-story building consisting of 126 affordable apartment units. Ownership of the Development and 4% Development will be established as two condominium units, containing 20 and 106 apartments, respectively. The building’s first floor will include a lobby, with adjacent spaces for a management office, 24-hour security/front desk, mail and package delivery areas, and a resident lounge. The second floor will include an equipped fitness center, a second lounge with seating and work booths, and offices for on-site service providers. The residential units will be located on floors three through nineteen. The transit-oriented property will have no onsite parking. The Development will consist of eighteen (18) studio units and two (2) one-bedroom units.

The combined development will be an all-electric building. HVAC will be provided through a Variable Refrigerant Flow (VRF) system that includes roof-mounted outdoor condensing units and wall-mounted heat pump units within each residential unit. A central, roof-mounted Energy Recovery Unit (ERU) provides exhaust and fresh air to the corridors and residential units through vertical shafts and horizontal distribution ductwork.

Description of Affordability Mix. All 20 units will be subject to income restrictions with set-asides ranging from 30% of Area Median Income (“AMI”) to 60% of AMI.

Ten units will be set aside for Permanent Supportive Housing (“PSH”) households earning up to 30% of AMI and will benefit from project-based rental assistance. Of the ten units, seven will benefit from a Project-Based Section 8 contract and three will benefit from Project-Based MRVP.

Site Control. An affiliated entity, SFH 48 Boylston Street LLC, purchased the land in 2017, as evidenced by a deed.

5. Borrower Team

Mortgagor Entity: 41 LaGrange Street Nine LLC

41 LaGrange Street Nine LLC is a sole-asset, single-purpose entity formed for the purposes of owning and operating the Development.

Developer / Sponsor: POUA and SFH

POUA is a non-profit housing developer affiliated with the Roman Catholic Archdiocese of Boston. Since its establishment in 1969, POUA has developed over 3,000 units of elderly, family, mixed-income and special needs housing, channeling over \$650 million of investment into developments throughout metropolitan Boston.

SFH was founded in 1984 to meet the needs of people experiencing poverty and homelessness. SFH is the largest day shelter in the Commonwealth, serving nearly 500 individuals each day.

General Partner / Managing Member: 41 LaGrange Street Nine MM LLC

The managing member of 41 LaGrange Street Nine MM LLC will be SFH 48 Boylston Street LLC, a 50/50 entity between POUA and St. Francis House, with POUA as the managing member of SFH 48 Boylston Street, LLC.

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.

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

Management Company: Maloney Properties, Inc.

Maloney Properties, Inc. is a women-owned firm established in 1981 that provides professional property management services throughout New England. Currently, Maloney Properties manages over 10,000 units of housing, including over 1,950 units in 20 properties in MassHousing’s loan portfolio.

Architect: The Architectural Team, Inc.

The Architectural Team (“TAT”) is a master planning, architecture and interior design firm established in 1971. The 95+ person firm has earned more than 100 awards for design excellence across a broad range of building types and programs.

General Contractor: Dimeo Construction

Dimeo Construction Company is one of the largest construction companies in New England and has been in operation since 1930. Dimeo’s over 225 professionals, located in full service regional offices in Boston, Providence, and New Haven provide preconstruction and construction services.

6. Summary of MassHousing-Sponsor Relationship	
Number of Projects with MassHousing Debt	4
Total Units with MassHousing Debt	142
Outstanding MassHousing Principal Debt	\$9,690,015
Adverse Actions Against the Borrower Team	No
Current on Obligations with MassHousing	Yes
Property Management Affiliate	No

MassHousing Staff	
Origination	Mike Carthas, Originator Amanda Melick, Analyst
Underwriting	Caroline Dylag, Underwriter
Asset Management	Serena Kay, Asset Manager

7. Unit Mix

Unit Size	Total Units	LIHTC-Eligible*						Market Comparison
		MRVP at 30% AMI		PB-S8 at 30% AMI		LIHTC 60% AMI		
		Count	Rent	Count	Rent	Count	Rent	
0 BR	18	3	\$2,178	7	\$3,016	8	\$1,524	TBD
1 BR	2	-	-	-	-	2	\$1,619	TBD
Total	20	3		7		10		

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

Project-Based Rental Subsidy	
Type	MRVP
Term	20 y
Administrator	MetroHousing Boston
Lesser of Section 8 and market rents.	

8. Operating Overview

Underwritten Operating Expenses	\$342,400 (approximately \$17,100 per unit)
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Basis of Operating Costs. Borrower proposed budget and comparable properties in the MassHousing portfolio.

9. Project Costs

Core Residential Costs	
Base	\$9,355,275
Extraordinary	\$3,450,000
Total	\$12,805,275
Total Development Cost	
Total	\$12,805,275

Project Construction Costs	
Total Construction Cost	\$8,444,213
Construction per Square Foot	\$550

Background on Extraordinary Residential Costs. The high development costs are driven by two factors. The first relates to the costs attributable to high-rise construction at the 19-story development, most notably for the deep foundation system, reinforced concrete walls, columns, and slabs, and a tower crane. The second factor relates to costs associated with the extremely tight construction site and its limited laydown space.

10. Sources and Uses

Sources of Funds	Total
MH Permanent Loan	\$1,550,000
Opportunity Fund	\$500,000
LIHTC	\$10,503,950
EOHLC	\$75,000
City of Boston	\$75,000
Deferred Developer Fee	\$101,325
Total Sources	\$12,805,275

Core Residential Uses of Funds	Total	
		<i>Per Unit</i>
Acquisition	\$596,392	\$29,820
Construction	\$8,444,213	\$422,211
Construction Contingency	\$422,211	\$21,111
General Development	\$2,011,248	\$100,562
Operating Reserves	\$231,211	\$11,561
Overhead	\$550,000	\$27,500
Fee	\$550,000	\$27,500
Total Residential Uses	\$12,805,275	\$640,264

Base Costs		Extraordinary Costs	
	<i>Per Unit</i>		<i>Per Unit</i>
\$596,392	\$29,820		
\$5,734,213	\$286,711	\$2,710,000	\$135,500
\$286,211	\$14,311	\$136,000	\$6,800
\$1,836,248	\$91,812	\$175,000	\$8,750
\$156,211	\$7,811	\$75,000	\$3,750
\$373,000	\$18,650	\$177,000	\$8,850
\$373,000	\$18,650	\$177,000	\$8,850
\$9,355,275	\$467,764	\$3,450,000	\$172,500

11. First Year Income and Expenses

Income		
Rental Income – Project-Based Rental Subsidy		\$185,160
Rental Income – Non-Rental Subsidy		\$331,752
Gross Potential Residential Income		\$516,912
Vacancy – Project-Based Rental Subsidy	2.5%	(\$5,555)
Vacancy – Non-Rental Subsidy	3%	(\$8,294)
Gross Residential Income		\$503,063
Effective Gross Income		\$503,063

Expenses	
Residential Operating Expenses	\$342,351
Net Operating Income	\$160,712
Debt Service	(\$116,262)
Cash Flow	\$41,733

Debt Service Coverage 1.35

Residential Operating Expense Detail			<i>Per Unit</i>
Management Fee	5.0%	\$25,153	\$1,258
Administrative Costs		\$48,594	\$2,430
Maintenance Costs		\$81,454	\$4,073
Resident Services		\$42,500	\$2,125
Security		\$32,850	\$1,643
Utilities (water and sewer, hot water)		\$48,000	\$2,400
Insurance		\$22,000	\$1,100
Taxes		\$34,600	\$1,730
Replacement Reserves		\$7,200	\$360
Total		\$342,351	\$17,118

Operating Expenses as a Percent of EGI 68.1%

12. Underwriting

1. **Condominium Ownership Structure.** 41 LaGrange Street 9% will be one of two condominium units included in the 19-story, 126-unit development, The Borrower, as owner of the Development with its 20 apartment units, will hold an 11.75% ownership interest in the condominium. MassHousing review and approval of the final condominium documents will be required prior to loan closing.

2. **Resident Services and Security Expenses.** Resident services will be provided, and security expenses will be subsidized, by SFH under a Resident Services and Security Payment Agreement (the “RSSP Agreement”) among SFH, the Borrower and 4% Development owner. Although the development owners will share in a portion of the cost of these services and expenses (approximately \$100,467 annually, or 9.5 % of the total amount of \$1,061,477), allocated between the two developments, the remaining cost (approximately \$961,011 annually or 90.5 % of the total annual amount of \$1,061,477) will be covered by SFH, which will receive funding for its expenses through a Housing Stability Support Contract between the Executive Office of Health and Human Services and SFH. MassHousing review and approval of the RSSP Agreement will be required prior to loan closing.
 - **Resident Services:** The Development will have ten PSH Units for the formerly homeless. The resident services to be provided align with SFH’s mission to support adults who are exiting homelessness and in need of ongoing support to ensure successful transitions into housing and to remain stable in that housing. The RSSP Agreement will contractually obligate SFH to provide these services. The Development will pay for a portion of these costs.

 - **Security Expenses:** Under the RSSP Agreement, the development owners will be responsible for contracting with a third-party security firm to provide services to the combined developments on a 24/7 basis. The development owners will be responsible for payment of \$43,800 annually, increasing by 3% per year, for security services, which are currently estimated to total at \$262,800 annually. SFH, in turn, will be obligated to pay the balance of the security costs (\$219,000 annually) on a monthly basis upon receipt of invoices from the development owners.

As a condition of commitment, MassHousing review and approval of the RSSP Agreement shall be required prior to loan closing, and as mitigation of the risks presented by the potential loss or reduction of service and/or funding provided under the RSSP Agreement over the term of the permanent loan, MassHousing shall require, that (i) neither party shall terminate the RSSP Agreement without prior written consent from

MassHousing; and (ii) that the required operating escrow amount shall not be reduced during the term of the permanent loan.

3. **Delayed Investor Admission.** The Sponsor is utilizing an equity structure in which the investor is not admitted as a limited partner until construction completion, with no tax credit equity delivered at construction closing. This structure is projected to save approximately \$2,000,000 on the combined 4% and 9% projects. MassHousing will permit the use of this structure, provided that the tax credit equity investor is admitted no later than the closing of MassHousing's permanent loan, and 20% of equity capital contributions are paid into the transaction by 85% completion. The timing of this first installment will require a waiver to MassHousing's closing standards.
4. **Operating Expenses.** Operating expenses of \$17,118 are higher than the typical range of \$11,000 to \$15,000 per unit within the MassHousing portfolio. Of note, the combined operating expenses across both the 4% and 9% project of \$14,498 fall within the typical range. The higher per unit expense amount is primarily driven by the following factors:
 - a. **Resident Services Expenses** in the amount of \$2,125 per unit. As noted above, the Development will have 10 PSH units for the formerly homeless. The level of service provision exceeds what is provided in most developments in the Agency's lending portfolio. The comprehensive supportive services program proposed includes personalized services coordination including referrals to direct services and assistance with access to mainstream benefits, transportation arrangements, training on-site or coordination with community services on activities of daily living, as well as discharge planning.
 - b. **Security Expenses** in the amount of \$1,643 per unit. The Owner will enter into a security contract with a third-party security firm to provide services for the Development on a 24/7 basis.
5. **Utility Cost Estimate.** Utility expenses are based on estimates from a project engineering consultant and a utility model is still outstanding. To the extent that the utility model increases anticipated utility costs, the loan size may be adjusted accordingly.
6. **Other Funding Sources.** The EOHLC and the City of Boston Subordinate Debt Award Letters are outstanding and will be required prior to closing. In the event that any of the projected subordinate sources change, the underwriting will be adjusted accordingly.
7. **Third-Party Reports.** The MassHousing-commissioned appraisal and market study are currently underway. To the extent that either report changes the underwritten rents or loan-to-value the loan size may be adjusted accordingly.

8. **Loan Sizing.** The Sources and Uses in this commitment proposal reflect a Projected Loan amount of \$1,550,000. The MassHousing Financing Summary in Section 3 above and the Votes below allow for an “Up To” Loan amount of \$1,800,000. 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 \$1,800,000, MassHousing will confirm that other sources will be adjusted as necessary to maintain a balanced sources and uses.

9. **MassHousing General Funding Obligation.** The underwriting assumes \$500,000 in a to-be-determined MassHousing funding source. Final funding source to be confirmed prior to closing.

Underwriting Criteria and Loan Terms	41 LaGrange 9%	Underwriting Standards
1. DSCR	1.35 x	Minimum of 1.10
2. Term/Amortization	40 y / 40 y	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 programmatic rent cap or rents supported by MassHousing market review	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	<ul style="list-style-type: none"> • 2.5% for PB – Rental Subsidy • 3.0% for LIHTC 	Minimum of: <ul style="list-style-type: none"> • 2.5% for PB – Rental Subsidy • 3.0% for LIHTC • 5.0% for unrestricted or middle-income 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	\$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 20-year capital needs.
8. Operating Expenses	Approximately \$17,100 unit / year	Typically, between \$11,000 and \$15,000 per unit.

13. Low-Income Housing Tax Credits

This transaction uses 9% low-income housing tax credits, which do not require MassHousing approval.

41 LaGrange Street 9% VOTES AND FINDINGS

PROPOSALS AND VOTES

Mortgage Loans

Staff has reviewed the proposal for (i) permanent and equity 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 permanent first mortgage loan in a principal amount of up to \$1,800,000 to be made to 41 LaGrange Street Nine LLC or another single-purpose entity controlled by the Planning Office for Urban Affairs, Inc. and St. Francis House (the “Borrower”) as owner of the multifamily residential development known as “41 LaGrange Street 9%” (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.

FURTHER VOTED: To approve a subordinate mortgage loan to the Borrower for the Development in an amount not to exceed \$500,000 (1) to be funded from the Opportunity Fund and (2) subject to such terms and conditions as approved by the Chief Executive Officer or Vice President of Multifamily Programs, or their respective designees, each acting singly, and to any applicable delegations of authority previously approved by the Members of MassHousing.

FURTHER VOTED: To authorize the Chief Executive 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 or the Vice President of Multifamily Programs, and (2) such subordinate mortgage loans shall be subject to MassHousing’s requirements pertaining to subordinate mortgages, in a manner acceptable to MassHousing’s General Counsel or his designee.

STATUTORY FINDINGS AND DETERMINATIONS

Statutory Findings:

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

1. The affordability of rents for 20% of the units:

20 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 February 20, 2024. 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 1,471 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 97.8%, and range between 92% and 100%. None of the five comparables reviewed was offering rental concessions.

1st Qtr. 2024 CoStar data for the subject's Downtown Boston Multi-Family Submarket (11,500 units) has an overall vacancy rate at 3.9% YTD, which is a decrease of .10% from one year ago. CoStar data for the Boston market (273, 039 units) has an overall vacancy rate of 5.7% YTD, which is an increase of .51% from one year ago. The Downtown Boston Multi-Family Submarket vacancy rate is projected to stay at 3.9% over the next five years, while the Boston market is projected to decrease to 5.3%. CoStar, submarket data for the 4-5 Star building type (6,612 units) indicates a 1st Qtr. 2024 vacancy rate of 4.6% and an average asking rent of \$4,157, while submarket data for the subject's 3 Star building type (2552 units) indicates a 1st Qtr. 2024 vacancy rate of 2.6 % at an average asking rent of \$3,041- and 1-2-Star buildings (730 units) indicates a 1st Qtr. 2024 vacancy rate of 3.6% at an average asking rent of \$2,478. 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 Executive Office of Housing and Livable Communities (EOHLC) 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.

As of January 2024, The 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 15,140 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 this time. The BHA also maintains a Public Housing Wait list with 33,632 applicants.

U.S. Census data from the 2017-2022 American Community Survey (ACS) indicates that of the 276,053 households in the City of Boston approximately 77.3% earned less than the HUD published 2023 AMI, approximately 43.8% earned less than 50% of 2023 AMI, approximately 50.4 % earned less than 60% of the 2023 AMI, and approximately 63.5 %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:

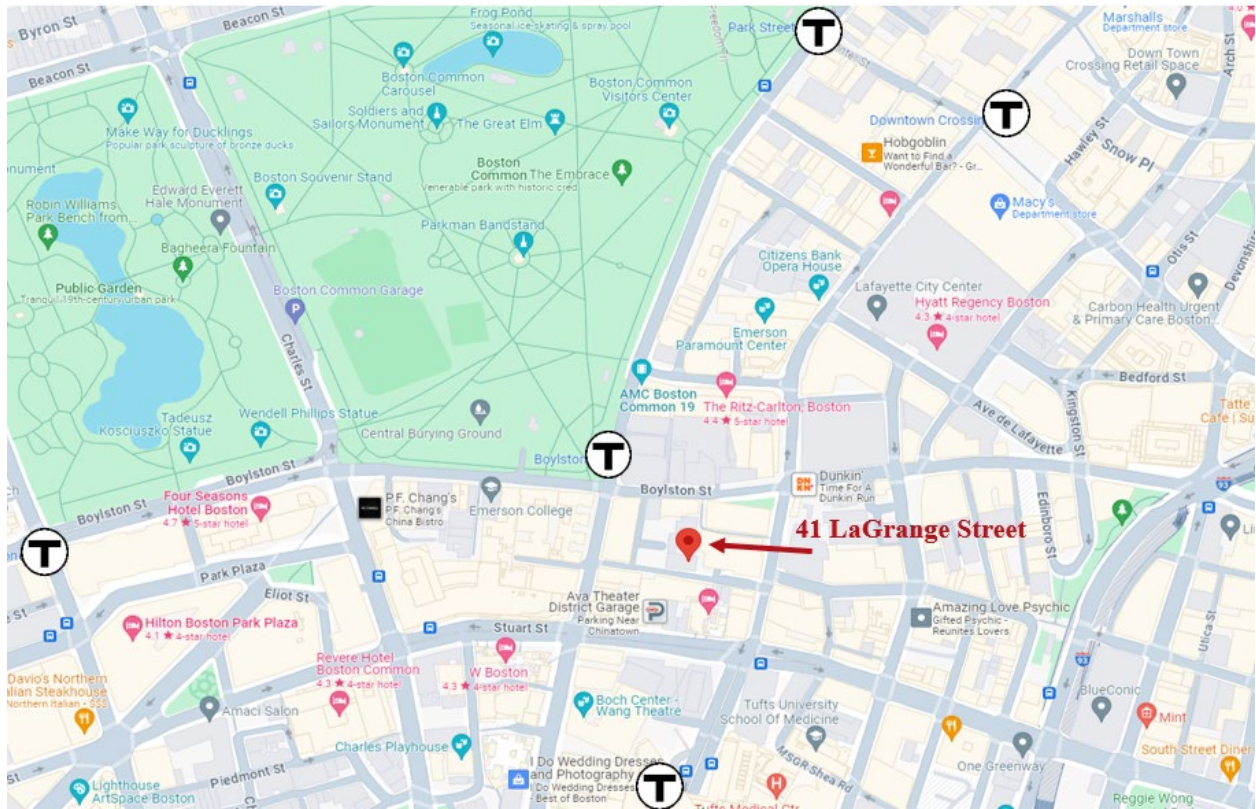
Rent Schedule:

Number of Bedrooms	0	1
Number of Units	18	2
Net SF/Unit	442	695
Elev./Non-Elev.	E	E
Market Rate Rent	\$2477	\$1882
MHFA Below Market Rent (Cost-Based Rent)	\$2213	\$1619
MHFA Adjusted Rent	30% of 60% of AMI	
Underwriting Rents		
MRVP 30% AMI	\$2178	
PBV 30% AMI	\$3016	
LIHTC 60% AMI	\$1524	\$1619

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 Commitment Proposal | April 9, 2024

41 LaGrange Street



Location	41 LaGrange Street, Boston MA 02116	
Sponsor	Planning Office for Urban Affairs, Inc. (“POUA”) and St. Francis House, Inc. (“SFH”)	
	41 LaGrange Street 4%	41 LaGrange Street 9%
Transaction Type	Production (4%)	Production (9%)
Funding Type	Forward Commitment of Permanent Loan	Forward Commitment of Permanent Loan
Execution Type	Portfolio (TE)	Portfolio
Credit Enhancement	HUD/FHA Risk-Sharing with 50% credit risk	HUD/FHA Risk-Sharing with 50% credit risk
Total Rental Units	106	20
Affordability Mix	71 Affordable 35 Middle-Income	20 Affordable

Deal Team Members

Origination Mike Carthas, Amanda Melick

Underwriting John Collins, Caroline Dylag

Asset Management Carmen Beato



41 LaGrange Street | Boston - Chinatown



Borrower Team

	41 LaGrange Street 4%	41 LaGrange Street 9%
Mortgagor Entity	41 LaGrange Street Four LLC	41 LaGrange Street Nine LLC
Developer / Sponsor	POUA and SFH	POUA and SFH
General Partner / Managing Member	41 LaGrange Street Four MM LLC	41 LaGrange Street Nine MM LLC
Construction Lender	Bank of America, N.A.	Bank of America, N.A.
Syndicator / Investor	Bank of America, N.A.	Bank of America, N.A.
Management Company	Maloney Properties, Inc.	Maloney Properties, Inc.
Architect	The Architectural Team, Inc.	The Architectural Team, Inc.
General Contractor	Dimeo Construction	Dimeo Construction

Unit Mix: 41 LaGrange Street 4%

Unit Size	Total Units	LIHTC-Eligible*										Market Comparison
		MRVP 30% AMI		PB-S8 30% AMI		LIHTC 50% AMI		LIHTC 60% AMI		WFH 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>	
0 BR	50	5	\$2,178	44	\$3,050	1	\$1,264					TBD
1 BR	18	4	\$2,326	6	\$3,325	1	\$1,340	3	\$1,619	4		TBD
2 BR	38	1	\$2,742					6	\$1,919	31		TBD
Total	106	10		50		2		9		35		

* Rents are net of utility allowances.

Unit Mix: 41 LaGrange Street 9%

Unit Size	Total Units	LIHTC-Eligible*						Market Comparison
		MRVP 30% AMI		PB-S8 30% AMI		LIHTC 60% AMI		
		<i>Count</i>	<i>Rent</i>	<i>Count</i>	<i>Rent</i>	<i>Count</i>	<i>Rent</i>	
0 BR	18	3	\$2,178	7	\$3,016	8	\$1,524	TBD
1 BR	2	-	-	-	-	2	\$1,619	TBD
Total	20	3		7		10		

* Rents are net of utility allowances.

Project Costs: 41 LaGrange Street 4%

Core Residential Costs	
Base	\$96,499,029
Extraordinary	\$17,487,463
Total	\$113,986,492
Total Development Cost	
Total	\$113,986,492

Project Construction Costs	
Total Construction Cost	\$80,442,238
Construction per Square Foot	\$1,545

Project Costs: 41 LaGrange Street 9%

Core Residential Costs	
Base	\$10,479,161
Extraordinary	\$2,326,113
Total	\$12,805,274
Total Development Cost	
Total	\$12,805,274

Project Construction Costs	
Total Construction Cost	\$8,444,213
Construction per Square Foot	\$722

Sources and Uses – 41 LaGrange Street 4%

Sources of Funds		Uses of Funds	
MH Permanent First Loan	\$23,500,000	Acquisition	\$4,483,608
MH Middle Income Housing	\$3,000,000	Construction	\$80,442,238
Federal LIHTC	\$52,851,071	Construction Contingency	\$4,022,112
State LIHTC	\$10,269,500	General Development	\$16,500,550
EOHLC	\$2,925,000	Operating Reserves	\$1,537,984
HSF/AHT/CATNHP		Overhead	\$3,500,000
City of Boston	\$5,205,955	Fee	\$3,500,000
HOME/CBH/HIF	\$2,150,000		
Additional City Award	\$4,250,000		
Additional EOHLC Award	\$4,900,000		
Deferred Developer Fee	\$4,934,964		
Total Sources	\$113,986,492	Total Uses	\$113,986,492

Sources and Uses – 41 LaGrange Street 9%

Sources of Funds		Uses of Funds	
MH Permanent Loan	\$1,550,000	Acquisition	\$596,392
Opportunity Fund	\$500,000	Construction	\$8,444,213
LIHTC	\$10,503,950	Construction Contingency	\$422,211
EOHLC	\$75,000	General Development	\$2,011,248
City of Boston	\$75,000	Operating Reserves	\$231,211
Deferred Developer Fee	\$101,325	Overhead	\$550,000
		Fee	\$550,000
Total Sources	\$12,805,275	Total Uses	\$12,805,275

Underwriting Notes

41 LaGrange Street 4%

1. Condominium Ownership Structure
2. Resident Services and Security Expenses
3. Average Income Set-Aside
4. Delayed Investor Admission
5. Utility Cost Estimate
6. Other Funding Sources
7. Third-Party Reports

41 LaGrange Street 9%

1. Condominium Ownership Structure
2. Resident Services and Security Expenses
3. Delayed Investor Admission
4. Operating Expenses
5. Utility Cost Estimate
6. Other Funding Sources
7. Third-Party Reports
8. Loan Sizing
9. MassHousing General Funding Obligation

Recommended Votes

41 LaGrange Street 4%

- Commitment of a Permanent Tax-Exempt Loan
- Commitment of a Tax-Exempt Bridge Loan
- Commitment of Middle-Income Housing Loan
- Approval for the use of Low-Income Housing Tax Credits

41 LaGrange Street 9%

- Commitment of a Permanent Taxable Loan
- Commitment of Opportunity Fund

Loan Commitment Proposal | April 9, 2024

Columbia Uphams Apartments

1. General Project Information	
Project Name	Columbia Uphams Apartments
Project ID	22-014
Associated Projects	N/A
Addresses	392 & 614 Columbia Rd, Dorchester, MA 02125
Sponsor	Affordable Housing and Services Collaborative, Inc.
Transaction Type	Preservation (4%)
Funding Type	Current (Construction/Permanent)
Execution Type	Portfolio (TE)
Credit Enhancement	HUD/FHA Risk-Sharing with 50% credit risk
Approval Type	Board
MH Risk Rating (Please see Section 12.1)	<p><u>Current Risk Ratings:</u></p> <p>Columbia West Apartments Financial: D Physical Condition: A Compliance: A</p> <p>Uphams Corner Market Financial: D Physical Condition: D Compliance: A</p> <p><u>Post-completion Risk Ratings:</u></p> <p>Financial: A Physical Condition: A Compliance: A</p>
Total Rental Units	91
Affordability Mix	91 Affordable

2. Recommended Actions

- Official Action Status
- Commitment of Tax-Exempt Construction to Permanent Loan
- Commitment of Tax-Exempt Construction Equity Bridge Loan
- Commitment of Taxable Subordinate Loan
- Resubordination of Existing PDF Loan
- Approval of 4% Tax Credits
- Level One Transfer of Ownership

Columbia Uphams Apartments (the “Development”) consists of two existing properties, Columbia West Apartments and Uphams Corner Market, located 0.7 miles apart on Columbia Road in Dorchester. Affordable Housing and Services Collaborative, Inc. (the “Sponsor”) acquired the properties from the previous owners in 2019 and 2020. The properties house formerly homeless, developmentally disabled, and low-income residents and both have experienced operational challenges for years. At closing, the Sponsor will consolidate ownership under a single new borrowing entity and renovate both properties. As part of the transaction, the Borrower will repay the existing 223(f) loan on Columbia West Apartments and a portion of the existing MassHousing first mortgage loan on Uphams Corner Market from new permanent sources and assume the existing MassHousing Priority Development Fund Loan (“PDF Loan”) on Columbia West. MassHousing will issue a tax-exempt construction to permanent loan, a tax-exempt bridge loan, and a taxable subordinate loan used to repay the remaining portion of the existing MassHousing first mortgage loan on Uphams Corner Market. The taxable subordinate loan will be in an amount up to the existing Uphams Corner Market first loan and sized upon final underwriting so that sources equal uses. The refinancing will allow the Sponsor to perform needed repairs at both properties, fully fund the replacement reserves, realize operational efficiencies, and position the Development for long term stability under Peabody Properties’ management.

Because the existing MassHousing PDF Loan will be assigned by the current owner of Columbia West Apartments to the Borrower, the transaction will also require approval as a Level One Transfer under the Agency’s Transfer of Ownership Policy.

3. MassHousing Financing

First Loan	
Type	Construction/Permanent
Loan Amount	Up to \$4,000,000
Interest Rate	30-Year MMD plus 225 basis points (bps) to be locked at Construction Loan Closing (processing rate of 6.20% assumed for underwriting)
Loan Term / Amortization	40 y / 40 y (after 18-month interest-only construction period)
Year 1 DSCR	1.72 projected (1.10 minimum)
LTV	27% projected (90% maximum)
Construction Equity Bridge Loan	
Type	Tax-Exempt Construction Equity Bridge Loan
Loan Amount	\$20,095,000
Interest Rate	SOFR plus 210 bps to be locked at Construction Loan Closing (7.41% projected)
Loan Term/Amortization	18 mo / interest only
Junior Loan	
Type	Taxable Subordinate Loan
Loan Amount	Up to \$1,208,000
Interest Rate	6.47% projected
Loan Term/Amortization	40 y / non-amortizing
Terms of Cash Flow Sharing	Cashflow during operations will service principal of the Taxable Subordinate Loan ahead of other subordinate debt sources.

4. Development Plan

Description of Site. Both properties are located on Columbia Road in Dorchester’s Uphams Corner neighborhood. Columbia Road offers a wide range of retail and institutional uses along with MBTA bus service to the JFK/UMASS station on the Red Line. Commuter Rail service is less than a mile away from each property at the Uphams Corner station of the Fairmount Line.

Description of Existing or Proposed Building. Columbia West Apartments is a four-story wood-frame building completed in 2005 with 46 units, one elevator and 42 underground parking spaces. Uphams Corner Market is a condominium unit comprising 45 residential units in a historic four-story masonry building completed in 1926 with two elevators, and exclusive rights to 17 underground parking spaces. Uphams Corner Market was most recently renovated in 2001 as part of a LIHTC syndication. The three other condominium units in the building, owned by unaffiliated third parties, are ground floor or basement commercial spaces occupied by a law firm, a youth leadership organization, and a furniture and appliance store.

The development team will improve the overall performance of the building envelopes by replacing windows and doors, installing new roofs and roof insulation, new HVAC systems, Energy Star-rated appliances, low-flow faucets, showerheads, and toilets, LED lighting, and a new security system at both properties. Other improvements include new kitchen and bathroom cabinets, countertops and flooring, elevator modernization, and brick repointing at Uphams Corner Market.

Description of Affordability Mix. All 91 units will be subject to income restrictions with set-asides ranging from 30% of Area Median Income (“AMI”) to 60% of AMI.

Twenty-three units will benefit from project-based rental assistance, of which 14 will benefit from a Project-Based Section 8 HAP contract with the Boston Housing Authority, eight will benefit from Project-Based MRVP vouchers, and one will receive rental assistance and 24-hour tenant services through HUD’s Continuum of Care program for homeless individuals and families. See Section 12.5 for further information.

Site Control. The Sponsor acquired the GP and LP interests in the current owner entity of Uphams Corner Market in 2019 and of Columbia West in 2020. A new mortgage entity, AHSC Columbia Uphams LLC, will take title to the Development at closing.

5. Borrower Team

Mortgagor Entity: AHSC Columbia Uphams LLC

AHSC Columbia Uphams LLC is a sole-asset, single-purpose entity to be formed for the purpose of owning and operating Columbia Uphams Apartments.

Developer / Sponsor: Affordable Housing and Services Collaborative, Inc.

Affordable Housing and Services Collaborative, Inc. (AHSC) is a non-profit organization founded in 2001 to develop affordable housing, as well as to promote and enhance the quality of life for residents of affordable housing. AHSC has been involved in over 20 projects with more than 1,300 affordable units, often working in partnership with Peabody Properties, either directly through acquisition, development, rehabilitation, construction, or as a special non-profit member of the owner and providing a significant role in the project financing plan.

General Partner / Managing Member: AHSC Columbia Uphams Manager LLC

Syndicator / Investor: Boston Financial Investment Management, LP

Founded in 1969, Boston Financial Investment Management, LP has been a leader in real estate investment management for over fifty years. With headquarters in Boston, the company currently manages approximately \$15 billion in real estate investments for over 140 institutional clients from across the United States.

Management Company: Peabody Properties, Inc.

Peabody Properties, Inc. (“Peabody”), a certified Women Owned Business, manages approximately 96 communities, providing more than 13,000 residences in Massachusetts, Rhode Island, New Jersey, and Florida. Peabody’s management team consists of over 160 on-site professionals.

Architect: The Architectural Team

The Architectural Team (“TAT”) is a master planning, architecture and interior design firm established in 1971. The 95+ person firm has earned more than 100 awards for design excellence across a broad range of building types and programs.

General Contractor: NEI General Contracting

NEI General Contracting (“NEI”) is an award-winning provider of General Contracting and Construction Management Services specializing in affordable and market-rate housing. Since 1998, NEI has provided a full spectrum of General Contracting and Construction Management services to clients throughout the Eastern United States.

6. Summary of MassHousing-Sponsor Relationship	
Number of Projects with MassHousing Debt	8
Total Units with MassHousing Debt	943
Outstanding MassHousing Principal Debt	\$93,395,223
Adverse Actions Against the Borrower Team	No
Current on Obligations with MassHousing	Yes
Property Management Affiliate	No

MassHousing Staff	
Origination	Jeff Geller, Originator
Underwriting	John Collins, Senior Underwriter Caroline Dylag, Underwriter
Asset Management	Daniel Discenza, Portfolio Manager Greta Appleton, Asset Manager

7. Unit Mix

Columbia West Apartments

Unit Size	Total Units	LIHTC Eligible										Market Comparison <i>Rent</i>
		Continuum of Care 30% AMI		MRVP 50% AMI*		60% AMI*		Low HOME 50% AMI*		High HOME 60% 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>	
0 BR	0	-	-	-	-	-	-	-	-	-	-	\$2,070
1 BR	3	-	-	1	\$2,333	1	\$1,015	1	\$1,035	-	-	\$2,350
2 BR	35	-	-	6	\$2,752	19	\$1,658	-	-	10	\$1,391	\$2,770
3 BR	7	-	-	1	\$3,399	5	\$1,909	-	-	1	\$1,652	\$3,600
4 BR	1	1	\$3,765	-	-	-	-	-	-	-	-	\$4,100
Total	46	1		8		25		1		11		

Uphams Corner Market

Unit Size	Total Units	LIHTC Eligible				Market Comparison <i>Rent</i>
		BHA Section 8 30% AMI*		High HOME 60% AMI*		
		<i>Count</i>	<i>Rent</i>	<i>Count</i>	<i>Rent</i>	
0 BR	14	14	\$2,212	-	-	\$2,070
1 BR	17	-	-	17	\$1,182	\$2,350
2 BR	14	-	-	14	\$1,481	\$2,770
3 BR	0	-	-	-	-	\$3,600
4 BR	0	-	-	-	-	\$4,100
Total	45	14		31		

*Net of utility allowance

Project-Based Rental Subsidy	
Type	Section 8
Term	20 y
Administrator	Boston Housing Authority
Market rents are lower than contract rents.	

Type	MRVP
Term	20 y
Administrator	MetroHousing Boston
Market rents are lower for 1BR and 2BR units. Contract rent is lower for 3BR unit.	

Type	Continuum of Care
Term	20 y
Administrator	MetroHousing Boston
Bay Cove Human Services has an existing contract with MetroHousing Boston for Continuum of Care rental assistance and leases units at Columbia West for Department of Developmental Services (DDS) clients. See Section 12.6 for additional information.	

8. Operating Overview

Underwritten Operating Expenses	\$1,359,100 (approximately \$14,900 per unit)
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Basis of Operating Costs. Borrower proposed budget, historical performance, and comparable properties in the MassHousing portfolio.

9. Project Costs

Core Residential Costs	
Base	\$45,886,050
Extraordinary	\$0
Total	\$45,886,050
Commercial, Site and Other Non-Residential Costs	
Commercial Costs	\$0
Site and Other Non-residential Costs	\$711,325
Total	\$711,325
Total Development Cost	
Total	\$46,597,375

Project Construction Costs	
Total Construction Cost	\$19,728,288
Construction per Square Foot	\$183

Background on Site and Other Non-residential Costs. Non-residential costs consist of improvements to the garages of both buildings such as replacement of the doors and access systems, restriping, and installation of security cameras.

10. Sources and Uses

Sources of Funds	Total
MassHousing C/P Tax-Exempt Loan	\$3,875,000
MassHousing UCM Subordinate Loan	\$132,363
Assumed MassHousing PDF Loan	\$300,000
Federal LIHTC Equity	\$16,426,236
Federal HTC Equity	\$2,511,092
State LIHTC Loan	\$4,100,000
State HTC Loan	\$1,260,000
Seller Note	\$3,743,349
Assumed EOHLIC/MOH Loans	\$4,782,567
EOHLIC Subordinate Debt	\$6,500,000
City NHT	\$885,818
Deferred Developer Fee	\$1,590,950
Sponsor Reserve Loan	\$340,000
Constr. Period Cash Flow	\$150,000
Total Sources	\$46,597,375

Core Residential Uses of Funds	Total	
	Total	Per Unit
Acquisition	\$15,300,000	\$168,132
Construction	\$19,016,963	\$208,978
Construction Contingency	\$1,972,829	\$21,679
General Development	\$5,442,062	\$59,806
Replacement Reserves	\$91,000	\$1,000
Operating Reserves	\$796,286	\$8,750
Overhead	\$1,672,765	\$18,382
Fee	\$1,594,145	\$17,518
Total Residential Uses	\$45,886,050	\$504,242

Base Costs	Extraordinary Costs	
	Per Unit	Per Unit
\$15,300,000	\$168,132	\$0
\$19,016,963	\$208,978	\$0
\$1,972,829	\$21,679	\$0
\$5,442,062	\$59,803	\$0
\$91,000	\$1,000	\$0
\$796,286	\$8,750	\$0
\$1,672,765	\$18,382	\$0
\$1,594,145	\$17,518	\$0
\$45,886,050	\$504,242	\$0

Commercial Uses*	\$0
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Site and Other Nonresidential Uses*	\$711,325
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Total Uses	\$46,597,375
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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		\$659,868
Rental Income – Non-Rental Subsidy		\$1,193,844
Gross Potential Residential Income		\$1,853,712
Vacancy – Project-Based Rental Subsidy	2.7%	(\$18,057)
Vacancy – Non-Rental Subsidy	5.0%	(\$59,692)
Gross Residential Income		\$1,775,963
Other Income – Parking/Laundry		\$34,000
Effective Gross Income		\$1,809,963

Expenses	
Residential Operating Expenses	\$1,358,727
Net Operating Income	\$451,236
Debt Service	\$262,362
Cash Flow	\$188,874

Debt Service Coverage 1.72

Residential Operating Expense Detail			<i>Per Unit</i>
Management Fee	5.0%	\$90,498	\$994
Administrative Costs		\$220,933	\$2,428
Maintenance Costs		\$343,644	\$3,776
Resident Services		\$77,850	\$855
Security		\$47,500	\$522
Utilities (electricity, gas, water and sewer)		\$262,320	\$2,883
Insurance		\$62,117	\$683
Taxes		\$105,000	\$1,154
Uphams Corner Market Condo Fee & Reserve		\$93,677	\$1,029
Replacement Reserves		\$45,500	\$500
Mortgage Insurance Premium		\$9,688	\$106
Total		\$1,359,110	\$14,935

Operating Expenses as a Percent of Effective Gross Income 75%

12. Underwriting

1. **Loan Sizing.** The Sources and Uses in this commitment proposal reflect a Projected Loan amount of \$3,875,000. The MassHousing Financing Summary in Section 3 above and the Votes below allow for an “Up To” Loan amount of \$4,000,000. 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 \$3,875,000, MassHousing will confirm that other sources will be adjusted as necessary to maintain a balanced sources and uses.

2. **Property Risk Ratings.** The MassHousing risk ratings are indicative of the long-standing operational challenges at the properties, both of which have ‘D’ Financial ratings due to debt coverage ratios below 1.00. The Sponsor has funded operating deficits at both Columbia West and Uphams Corner Market since taking control of the properties in 2019 and 2020. Additionally, Uphams Corner Market has a Physical Condition rating of ‘D’ due to insufficient reserves to cover one year of projected capital needs. Cash flow is insufficient partly as a result of the previous owner maintaining rent levels at both properties below program maximums, and high vacancy among a subset of the units at Columbia West (see Section 12.5). Restructuring the debt will allow for sufficient cash flow to achieve debt coverage above 1.0 for the Development. Fully funding the replacement reserves at closing will result in an ‘A’ rating for Physical Condition.

3. **Acquisition.** The Acquisition line item of \$15,300,000 included in the development budget is made up of:
 - Seller Note of \$3,743,349
 - Repayment of existing debt:
 - On Columbia West Apartments:
 - repayment of the first mortgage loan: \$4,585,000
 - repayment of HLC HOME Loan: \$10,000
 - repayment of General Partner’s operating deficit loans: \$340,100
 - On Upham’s Corner Market:
 - partial repayment of the first mortgage loan, assumed to be \$1,073,000
 - repayment of HLC HOME Loan: \$10,000
 - repayment of General Partner’s operating deficit loans: \$321,400
 - Assumption of subordinate debt:
 - On Columbia West Apartments:
 - MassHousing PDF loan: \$300,000
 - EOHLIC/MOH loans: \$2,223,000

- On Upham's Corner Market:
 - Sponsor Loan: \$238,000
 - EOHLC/MOH loans: \$2,314,000

The outstanding balance of the existing MassHousing first mortgage loan at Columbia West Apartments is approximately \$4,585,000. It is estimated that the total balance plus any prepayment fees will be repaid at closing. The outstanding principal balance of the existing PDF Loan is \$300,000 with an estimated deferred interest balance of \$293,789. The deferred interest will be forgiven, and the principal balance will be subordinated to the new loan and extended to be coterminous with the new loan. The outstanding balance of the existing MassHousing first mortgage loan at Uphams Corner Market is approximately \$1,208,000. It is estimated that a portion of the balance plus any prepayment fees will be repaid at closing. MassHousing will issue a new taxable subordinate loan, the amount of which is subject to change based on the final underwriting and the financial feasibility of the proposed transaction. The transaction also contemplates the resubordination of existing EOHLC and MOH debt, which remain subject to approval. See Exhibit A for a summary of the treatment of existing debt at both properties.

4. **City of Boston/Mayor's Office of Housing Funding.** The transaction assumes \$885,818 in new MOH funding. The Sponsor is in ongoing discussions with MOH about the level of funding to be provided for this transaction. If the MOH funding is reduced, the subordinated MassHousing loan at Uphams Corner Market will increase by a corresponding amount.
5. **Other Funding Sources.** The EOHLC subordinate debt and rental assistance award letters and the City of Boston subordinate debt award letters are outstanding and will be required prior to closing. In the event that any of the projected subordinate sources change, the underwriting will be adjusted accordingly.
6. **Columbia West Bay Cove Units.** The existing Facilities Consolidation Fund (FCF) loan at Columbia West requires one four-bedroom unit and five two-bedroom units to be set aside for Department of Developmental Services (DDS) clients. DDS selected Bay Cove Human Services, a social service organization based in Boston, to lease units at the property and refer applicants, an arrangement that has been in place since 2011. Each of the 14 bedrooms in the six apartments was treated as an SRO unit under the lease, and all 14 DDS clients received rental assistance through Bay Cove's Continuum of Care contract with HUD, which required that residents also meet the definition of homeless. The two-bedroom FCF units have historically experienced higher vacancy than other units in the Development due to the incompatibility of homeless DDS clients who were previously unknown to each other, and delays in new referrals to fill vacancies. To address this, the Sponsor plans to negotiate separate lease agreements with Bay Cove for

the two-bedroom and four-bedroom units. The two-bedroom units will utilize newly awarded MRVP vouchers, rather than Continuum of Care, as the rental assistance, which do not require that residents be formerly homeless. Use of MRVP will allow Bay Cove to refer either DDS clients along with a family member to occupy the second bedroom, or two DDS clients that the organization believes can successfully share an apartment. The Sponsor believes this approach will lead to longer tenancy and reduce persistent vacancy among the two-bedroom units.

The four-bedroom unit will continue to receive Bay Cove referrals for individual bedrooms, with Continuum of Care providing rental assistance and 24-hour services for homeless DDS clients. The Sponsor will finalize leases with Bay Cove for both unit types prior to closing.

7. **Parking Income.** The Sponsor intends to lease a portion of the development's 59 covered parking spaces to non-residents. The underwriting assumes a monthly charge of \$100 per space with a vacancy rate of 75%. A parking income analysis will be included in the third-party appraisal report.
8. **Cash Flow During Construction.** Projected cash flow during the construction period is being applied as a source. The cash flow during construction calculation takes into account that the building will not have full occupancy during construction, existing permanent debt will be repaid and/or paid down, and that there will be no debt service due on the new permanent loan until after the construction period.
9. **Relocation.** AHSC has contracted with HousingToHome, a Boston-based relocation services company, to manage the daytime relocation of residents that construction work will require. The majority of residents will not need to move out of their apartments. Residents with mobility issues that require elevator service will be relocated to vacant units on the first floor during the elevator modernization. HousingToHome staff will provide residents with guidance and packing assistance for kitchen and bathroom items. Affected residents will be able to utilize vacant units and the Uphams Corner Market common areas during the day and will receive a lunch stipend.
10. **Resident Services.** Due to inadequate cash flow, neither property previously offered resident services. The proposed transaction will allow for a part-time Resident Service Coordinator (RSC) at the Development to be funded from operations. The RSC will collaborate with the Boston Housing Authority to support the formerly homeless individuals who reside in the 14 studio units at Uphams Corner Market, and with Bay Cove Human Services to support those 14 residents at Columbia West.

- 11. Existing Condominium.** The Uphams Corner Market portion of the Development is a unit of the Uphams Corner Market Condominium, which also includes three commercial units owned by unaffiliated third parties. The residential unit holds a 75% beneficial interest in the condominium trust, giving the Borrower sufficient voting power to authorize planned exterior and interior common area improvements to the building. None of the proposed improvements funded by the Borrower would be to the commercial condominium units or common areas to which they have exclusive rights.
- 12. Third Party Reports.** The MassHousing-commissioned appraisal and capital needs study are currently underway. To the extent that either report changes the underwritten rents, loan-to-value, or replacement reserve deposit amounts, the loan size may be adjusted accordingly.

Underwriting Criteria and Loan Terms	Columbia Uphams Apartments	Underwriting Standards
1. DSCR	1.72	Minimum of 1.10
2. Term/Amortization	40 y, fully amortizing	30-40 y, fully-amortizing
3. Loan to Value	27% (estimated)	Maximum of 90% based on third party "as-proposed" investment value
4. Underwriting Rents	Programmatic rent cap or rents supported by MassHousing market review.	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% MRVP: 3.0% Non-PBS8: 5.0%	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) Note: Additional initial deposit to reserves may be required by the third-party CNA to fund twenty-year capital needs.
8. Operating Expenses	Approximately \$14,900 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, 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.

Columbia Uphams 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 vote 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 “Columbia Uphams Apartments” (the “Development”) at such time as it is submitted; and (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 \$29,962,500 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.

Mortgage Loans

Staff has reviewed the proposal for (i) permanent and bridge loan 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 tax-exempt construction/permanent first mortgage loan in a principal amount of up to \$4,000,000; (b) a tax-exempt subordinate equity bridge mortgage loan in a principal amount of up to \$20,095,000, and (c) a taxable subordinate loan in a principal amount of up to \$1,208,000 (the “New Loans”) in each case to be made to AHSC Columbia Uphams LLC or another single-purpose entity controlled by Affordable Housing and Services Collaborative, Inc. (the “Borrower”) as owner of the multifamily residential development known as “Columbia Uphams 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.

FURTHER VOTED: To authorize the Chief Executive 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 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: To authorize the Chief Executive Officer and the Vice President of Multifamily Programs, and their respective designees, each acting singly, to (i) forgive the accrued interest on the existing Priority Development Fund loan from MassHousing to the current owner of Columbia West Apartments and (ii) to permit resubordination of such loan to the New Loans in connection with the closing of the New Loans, subject to any conditions required by the Chief Executive Officer, Vice President of Multi-Family Programs or General Counsel, or their respective designees.

4% Low-Income Housing Tax Credits

VOTED: That the amount of 4% Credits, as set by the Chief Executive Officer, 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 “Columbia Uphams 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 Vice President of Multifamily Programs, the Director of Rental Business Development, the Director of Rental Underwriting, 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.

Level One Transfer of Ownership

VOTED: To approve the Level One Transfer of Ownership of Columbia West Apartments in Boston (Dorchester) from the Columbia West Limited Partnership to AHSC Columbia Uphams LLC or another single-purpose entity controlled by Affordable Housing and Services Collaborative, Inc., subject to any conditions required by the Director of Rental Management or General Counsel, and that the Chief Executive Officer, 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.

STATUTORY FINDINGS AND DETERMINATIONS

Statutory Findings:

The Loans 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:

Ninety-one units (100%) in the Development will be affordable to low-income persons and families, as specified in the Act, at rents that do not exceed 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 January 8, 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 715 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 98.6%, and range between 95% and 100%. One of the comparables was offering a rent concession of ½ months free rent.

CoStar data for the subject's Roxbury/Dorchester Submarket (8,094 units) has an overall vacancy rate at 14.4% YTD, which is an increase of 6.00% from one year ago. CoStar data for the Boston market (271,950 units) has an overall vacancy rate of 5.5% YTD, which is an increase of .43% from one year ago. The Roxbury/Dorchester Submarket vacancy rate is projected to decrease to 12.7% 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 (2,415 units) indicates 1st Qtr. 2024 vacancy rate of 24.7 % and an average asking rent of \$2,994, while submarket data for the subject's 3 Star building type (3,105 units) indicates a 1st Qtr. 2024 vacancy rate of 7.0% at an average asking rent of \$2,625 and 1-2-Star buildings (2,574 units) indicates a 1st Qtr. 2024 vacancy rate of 13.7% at an average asking rent of \$2,120. 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 78.6% earned less than the HUD published 2023 AMI (\$149,300), approximately 46.8% earned less than 50% of 2023 AMI, approximately 53.1% earned less than 60% of the 2023 AMI, and approximately 65.6 % 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	0 BR	1 BR	2 BR	3 BR	4 BR
Number of Units	14	20	49	7	1
Net SF/Unit	500	748	900	1200	1450
Elev./Non-Elev.	Y	Y	Y	Y	Y
Market Rate Rent (10% Rate 20 Year Term)	\$4,817	\$3,998	\$4,438	\$4,822	\$6,512
MHFA Below Market Rent (Cost-Based Rent)	\$3,576	\$2,757	\$3,197	\$3,581	\$5,271
MHFA Adjusted Rent	30% of 60% of AMI				
Underwriting Rents					
Continuum of Care - 30%	-	-	-	-	\$3,765
MRVP - 50%	-	\$2,333	\$2,752	\$3,399	
LIHTC - 60%	-	\$1,015	\$1,658	\$1,909	-
Low HOME - 50%	-	\$1,035	-	-	-
High HOME - 60% CW	-	-	\$1,391	\$1,652	-
BHA Section 8 - 30%	\$2,070	-	-	-	-
High HOME - 60% UCM	-	\$1,182	\$1,481	-	-

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

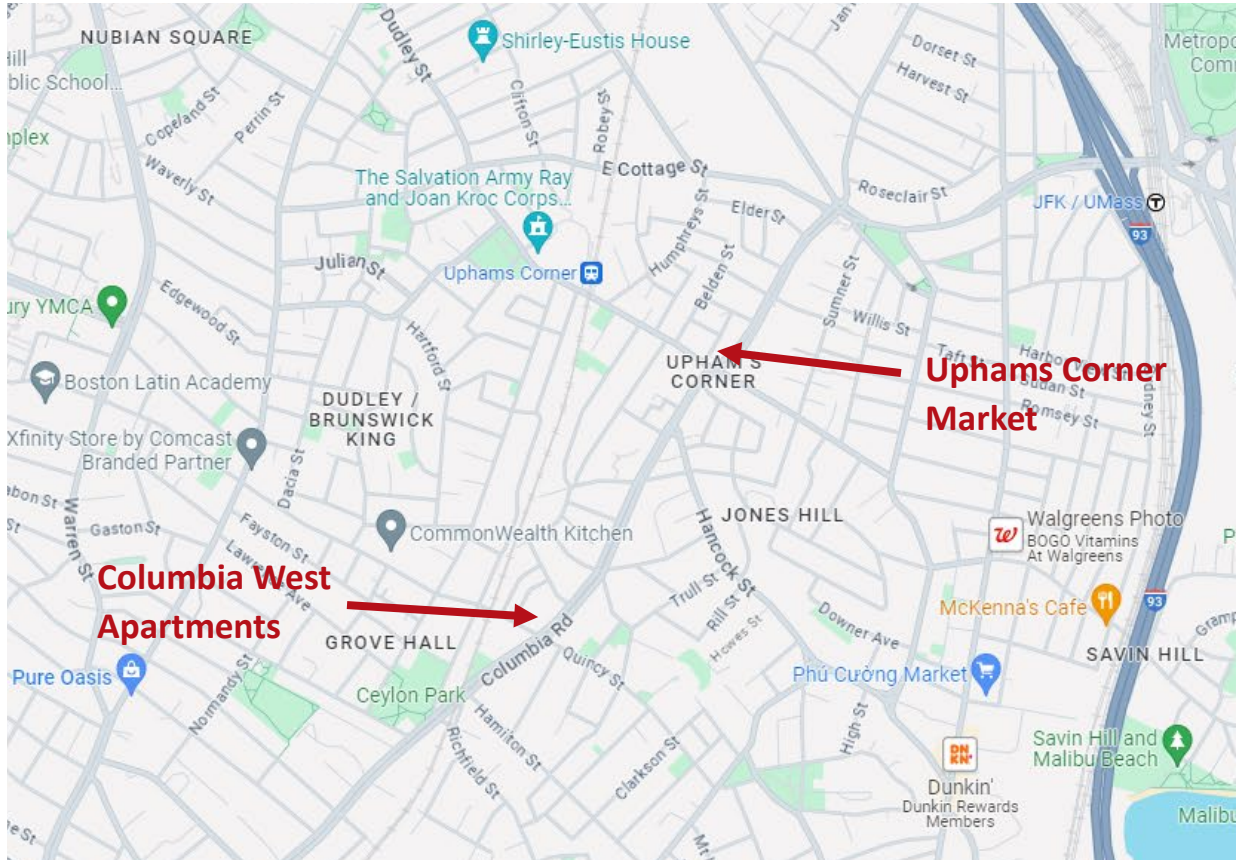


EXHIBIT A
EXISTING DEBT

Note: The \$15,300,000 acquisition amount consists of the \$3,743,349 Seller Note plus the total of the Repaid and Assumed columns below.

Columbia West	Principal	Interest	Repaid	Forgiven	Assumed
MHFA	\$4,325,913	\$259,555	\$4,585,468		
EOHLC HOME	\$739,769	\$746,945	\$10,000	\$746,945	\$729,769
MHFA PDF	\$300,000	\$300,464		\$300,464	\$300,000
DND HOME	\$1,000,000	\$1,914,254		\$1,914,254	\$1,000,000
CEDAC FCF	\$500,000	\$399,542		\$399,542	\$500,000
MOH Existing (prev. Sponsor Loan)	\$250,000	\$43,685		\$293,685	
GP Operating Def Loan '22	\$150,096		\$150,096		
GP Operating Def Loan '23	\$190,000		\$190,000		
TOTAL	\$7,265,778	\$3,664,444	\$4,935,564	\$3,654,890	\$2,529,769

Uphams Corner Market	Principal	Interest	Repaid	Forgiven	Assumed
MHFA	\$1,207,159		\$1,074,796		\$132,363
EOHLC HOME	\$575,000	\$1,450,344	\$ 10,000	\$1,450,344	\$565,000
CEDAC HIF	\$500,000	\$602,522		\$602,522	\$500,000
Boston - DND	\$1,249,704	\$3,069,387		\$3,069,387	\$1,249,704
Sponsor (AHSC) + OD	\$238,094	\$336,475		\$336,475	\$238,094
Dev. Fee (AHSC)	\$256,670	\$343,113		\$599,783	
GP Op Deficit Loan '19	\$205,000		\$205,000		
GP Operating Def Loan '22	\$73,361		\$73,361		
GP Operating Def Loan '23	\$43,000		\$43,000		
TOTAL	\$4,347,988	\$5,801,841	\$1,406,157	\$6,058,511	\$2,685,161



Loan Commitment Proposal | April 9, 2024

Columbia Uphams Apartments

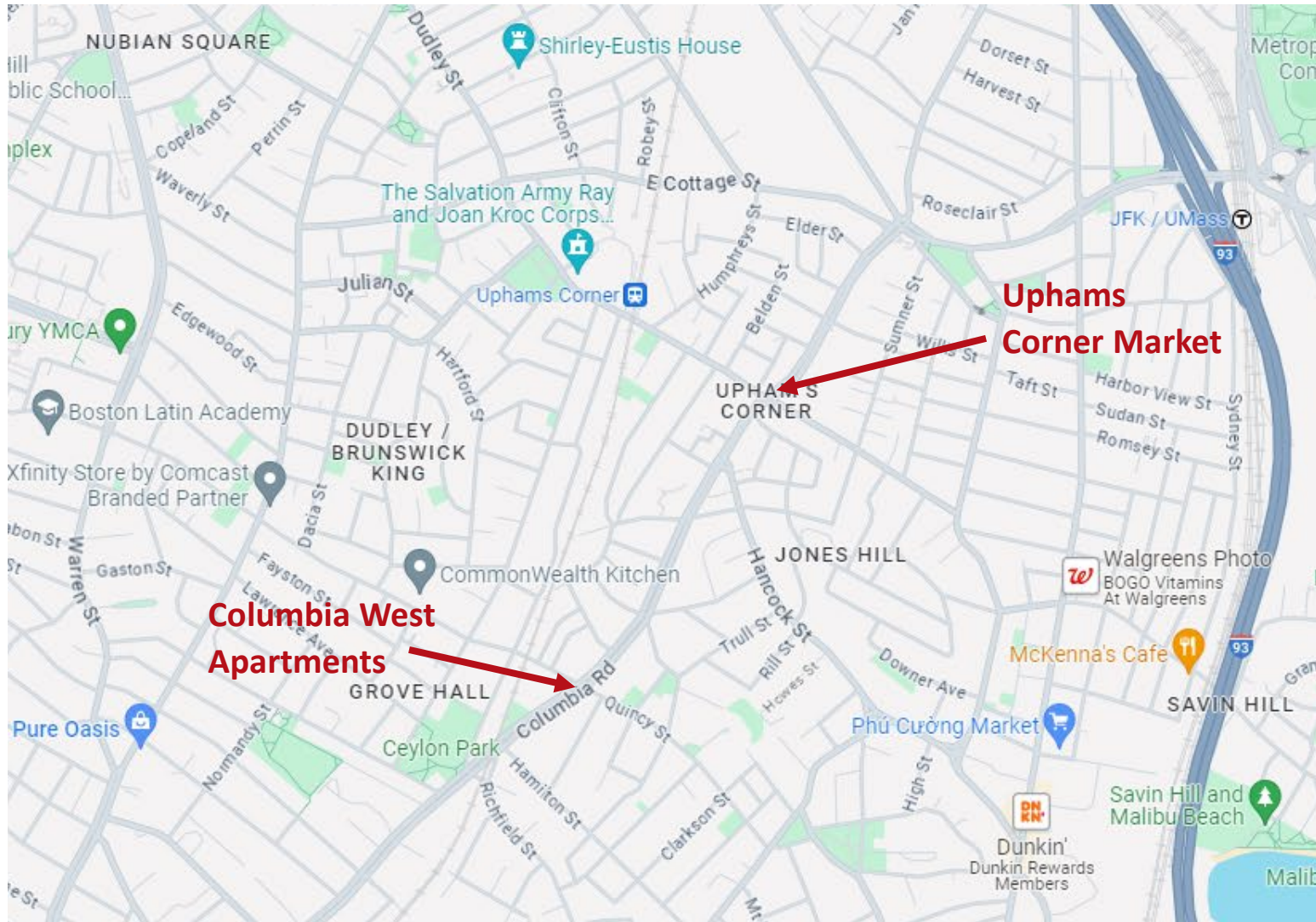
Location	Boston (Dorchester)
Sponsor	Affordable Housing and Services Collaborative, Inc.
Transaction Type	Preservation (4%)
Funding Type	Current (Construction/Permanent)
Execution Type	Portfolio (TE)
Credit Enhancement	HUD/FHA Risk-Sharing with 50% credit risk
MH Risk Rating	Financial: A Physical Condition: A Compliance: A
Total Rental Units	91
Affordability Mix	91 Affordable

Deal Team Members

Origination	Jeff Geller
Underwriting	John Collins, Caroline Dylag
Asset Management	Daniel Discenza, Greta Appleton



Columbia Uphams Apartments | Boston



Borrower Team

Mortgagor Entity	AHSC Columbia Uphams LLC
Developer / Sponsor	Affordable Housing and Services Collaborative, Inc.
General Partner / Managing Member	AHSC Columbia Uphams Manager LLC
Construction Lender	MassHousing
Syndicator / Investor	Boston Financial Investment Management, LP
Management Company	Peabody Properties, Inc.
Architect	The Architectural Team
General Contractor	NEI General Contracting

Unit Mix - Columbia West Apartments

Unit Size	Total Units	LIHTC Eligible										Market Comparison
		Continuum of Care 30% AMI		MRVP 50% AMI*		60% AMI*		Low HOME 50% AMI*		High HOME 60% AMI*		
		Count	Rent	Count	Rent	Count	Rent	Count	Rent	Count	Rent	
0 BR	0	-	-	-	-	-	-	-	-	-	-	\$2,070
1 BR	3	-	-	1	\$2,333	1	\$1,015	1	\$1,035	-	-	\$2,350
2 BR	35	-	-	6	\$2,752	19	\$1,658	-	-	10	\$1,391	\$2,770
3 BR	7	-	-	1	\$3,399	5	\$1,909	-	-	1	\$1,652	\$3,600
4 BR	1	1	\$3,765	-	-	-	-	-	-	-	-	\$4,100
Total	46	1		8		25		1		11		

* Rents are net of utility allowances.

Unit Mix - Uphams Corner Market

Unit Size	Total Units	LIHTC Eligible				Market Comparison
		BHA Section 8 30% AMI*		High HOME 60% AMI*		
		Count	Rent	Count	Rent	
0 BR	14	14	\$2,212	-	-	\$2,070
1 BR	17	-	-	17	\$1,182	\$2,350
2 BR	14	-	-	14	\$1,481	\$2,770
3 BR	0	-	-	-	-	\$3,600
4 BR	0	-	-			\$4,100
Total	45	14		31		

* Rents are net of utility allowances.

Project Costs

Core Residential Costs	
Base	\$45,886,050
Extraordinary	\$0
Total	\$45,886,050
Commercial and Non-Residential Costs	
Commercial Costs	\$0
Site and Other Non-Residential Costs	\$711,325
Total	\$711,325
Total Development Cost	
Total	\$46,597,375

Project Construction Costs	
Total Construction Cost	\$19,728,288
Construction per Square Foot	\$183

Sources and Uses

Sources of Funds		Uses of Funds	
MassHousing C/P Tax-Exempt Loan	\$3,875,000	Acquisition	\$15,300,000
MassHousing UCM Subordinate Loan	\$132,363	Construction	19,728,288
Assumed MassHousing PDF Loan	\$300,000	Construction Contingency	\$1,972,829
Federal LIHTC Equity	\$16,426,236	General Development	\$5,442,062
Federal HTC Equity	\$2,511,092	Replacement Reserves	\$91,000
State LIHTC Loan	\$4,100,000	Operating Reserves	\$796,286
State HTC Loan	\$1,260,000	Overhead	\$1,672,765
Seller Note	\$3,743,349	Fee	\$1,594,145
Assumed EOHLC/MOH Loans	\$4,782,567		
EOHLC Subordinate Debt	\$6,500,000		
City NHT	\$885,818		
Deferred Developer Fee	\$1,590,950		
Sponsor Reserve Loan	\$340,000		
Constr. Period Cash Flow	\$150,000		
Total Sources	\$46,597,375	Total Uses	\$46,597,375

Underwriting Notes

1. Property Risk Ratings
2. Acquisition
3. Mayor's Office of Housing Funding
4. Other Funding Sources
5. Columbia West Bay Cove Units
6. Parking Income
7. Cash Flow During Construction
8. Relocation
9. Resident Services
10. Existing Condominium
11. Third Party Reports

Official Action Status (OAS) Findings

1. **Mortgagor:** Affordable Housing and Services Collaborative, Inc. (the “Sponsor”) has acceptable multifamily housing development experience and acceptable credit history.
2. **Site Control:** The mortgagor, Sponsor or 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. **Acceptability of Site:** The site is acceptable for the proposed housing.
4. **Need for Proposed Housing:** There is a need for the proposed housing in the community.

Ownership Transfer

Current Owner	Columbia West Limited Partnership
Current General Partner (.52%)	AHSC Columbia GP LLC
Current Management Agent	Peabody Properties, Inc.

Proposed Owner	AHSC Columbia Uphams LLC
Proposed General Partner	AHSC Columbia Uphams Manager LLC
Proposed Management Agent	Peabody Properties, Inc.

Recommended Votes

- Official Action Status
- Commitment of Tax-Exempt Construction to Permanent Loan
- Commitment of Tax-Exempt Construction Equity Bridge Loan
- Commitment of Taxable Subordinate Loan
- Resubordination of Existing PDF Loan
- Approval of 4% Tax Credits
- Level One Transfer of Ownership

Loan Commitment Proposal | April 9, 2024

Meshacket Commons

1. General Project Information	
Project Name	Meshacket Commons
Project ID	23-106
Associated Projects	N/A
Address	38 Meshacket Road, Edgartown, MA 02539
Sponsor	AI/IHT LLC
Transaction Type	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	36
Affordability Mix	36 Affordable

2. Recommended Actions

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

The proposed financing will support the new construction of Meshacket Commons (the “Development”), a 36-unit affordable rental development in Edgartown. A joint venture of Affirmative Investments and Island Housing Trust (the “Sponsor”) will construct eight residential buildings and a community building on an undeveloped parcel of land owned by the Town of Edgartown. The Sponsor was selected through a competitive RFP process by the Town, which will enter into a 99-year ground lease with Meshacket LLC (the “Borrower”) for the site. The Town will enter into a separate ground lease with Island Housing Trust for an adjacent parcel, where the Sponsor will build four affordable homeownership units in two duplex structures. While the homeownership units are not part of this financing, the unit owners will have access to the amenities of the rental site. Agency Members approved Official Action Status for Meshacket Commons at the October 2023 board meeting.

3. MassHousing Financing

First Loan	
Type	Tax-Exempt Permanent Loan
Loan Amount	\$4,349,000
Interest Rate	30-Year MMD plus 240 basis points (bps) to be locked at Construction Loan Closing (processing rate of 6.35% assumed for underwriting)
Loan Term / Amortization	40 y / 40 y
Term of Fwd Commitment	24 mo
Year 1 DSCR	1.22 projected (1.10 minimum)
LTV	TBD (90% maximum)
Equity Bridge Loan	
Type	Tax-Exempt Equity Bridge Loan
Loan Amount	\$10,700,000
Interest Rate	SOFR plus 210 bps to be locked at Construction Loan Closing (projected at 7.41%)
Loan Term/Amortization	6 mo / interest only

4. Development Plan

Description of Site. The Development will be located on an undeveloped 6.7-acre parcel of Town-owned land approximately 1.5 miles southwest of the center of Edgartown (the “Site”), which offers a range of retail, cultural, and government services. The Vineyard Transit Authority plans to add a new bus stop on Meshacket Road at the edge of the Development, with service to Edgartown.

Description of Existing or Proposed Building. The 36 units will be constructed in eight buildings surrounding a common green space. Four two-story buildings will contain three units each and four three-story buildings will contain six units each. The walk-up buildings will be constructed in a manner representative of the existing housing stock in the neighboring area. The Development will include 62 parking spaces and a community building for residents that will also house a property management office. Other amenities include outdoor play areas, communal laundry facilities in each building, and access to the Old Meshacket Road and Swimming Place walking paths.

The Development was designed to Passive House standards and will be 100% electric. Photovoltaic panels installed on the roofs will offset approximately 70% of the electricity required for heating, cooling, and hot water. All utility costs will be included in the rent and residents will only pay for electricity from the outlets in their apartments.

Description of Affordability Mix. All 36 units will be subject to income restrictions ranging from 30% of Area Median Income (“AMI”) to 80% of AMI.

Eight units will benefit from project based MRVP rental assistance.

Site Control. Site control will be through a 99-year ground lease with the Town, which requires an initial payment of \$4,500 and \$900 annual payments.

5. Borrower Team

Mortgagor Entity: Meshacket LLC

A sole-asset, single-purpose entity formed for the purposes of owning and operating the Development.

Developer / Sponsor: AI/IHT LLC

AI/IHT LLC is comprised of Island Housing Trust Corporation (IHT) and Affirmative Investments, Inc.

IHT is a non-profit Community Land Trust organization that develops permanently affordable housing on Martha's Vineyard. Over the past 15 years IHT has sold and rented 126 homes and apartments to year-round low- and moderate-income families in developments across the island.

Affirmative Investments was founded in 1983 and has extensive experience as both a developer and consultant. The company works throughout the country and has completed projects in 12 states ranging from Rhode Island to California.

General Partner / Managing Member: Affirmative Investments, Inc. (51%)
Island Housing Trust (49%)

While both entities will be involved in the day-to-day decision making at the Development, Affirmative Investments has ultimate decision-making authority.

Construction Lender: Rockland Trust

Rockland Trust is a commercial bank based in Rockland, Massachusetts that serves Southeastern Massachusetts, Cape Cod, Martha's Vineyard, and the MetroWest area. Established in 1907, it is a wholly owned subsidiary of Independent Bank Corp.

Syndicator / Investor: Stratford Capital

Stratford Capital Group LLC is a recognized leader in the multifamily investment industry with a particular focus on affordable housing and investments benefiting from Low-Income Housing Tax Credits. Since 2007, Stratford Capital Group has successfully underwritten, sponsored and syndicated private equity in 225 multifamily rental apartment properties totaling approximately 25,614 apartment units in thirty-three (33) states with a capitalized value of approximately \$3.9 billion.

Stratford Capital’s multifamily focus centers on Tax Credit syndication and development as well as comprehensive ongoing asset and fund management.

Management Company: The Community Builders, Inc.

The Community Builders, Inc. (“TCB”) is a MassHousing-approved management agent with over 2,100 units under management in MassHousing’s debt portfolio and more than 11,000 apartments owned or managed across fourteen states and Washington D.C.

Architect: Union Studio

Union Studio is a nationally practicing, mission-based firm committed to designing sustainable projects. Their work includes urban planning and community design, civic and institutional buildings, mixed-use developments, and housing of all types. Union Studio was the architect on IHT’s Perlman House development, which was completed in 2021 and has a MassHousing permanent loan.

General Contractor: Dellbrook / JKS

Dellbrook / JKS is one of the largest construction companies in New England and has been in operation for over 30 years. The firm has extensive experience in overseeing the new construction of sustainable multi-family buildings throughout Massachusetts.

6. Summary of MassHousing-Sponsor Relationship	
Number of Affirmative Investments and IHT Projects with MassHousing Debt	4
Total Units with MassHousing Debt	82
Outstanding MassHousing Principal Debt	\$5,157,812
Adverse Actions Against the Borrower Team	No
Current on Obligations with MassHousing	Yes
Property Management Affiliate	No

MassHousing Staff	
Origination	Jeff Geller, Originator Matt Deych, Analyst
Underwriting	Nick Ye, Underwriter Matt Schoenberg, Analyst
Asset Management	Dan Discenza, Portfolio Manager Greta Appleton, Asset Manager

7. Unit Mix

Unit Size	Total Units	LIHTC Eligible								Market Comparison <i>Rent</i>
		MRVP 30% AMI*		MRVP 50% AMI*		60% AMI*		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>	
1 BR	8	2	\$1,975	1	\$1,975	4	\$1,352	1	\$1,816	\$2,000
2 BR	24	2	\$2,275	2	\$2,275	17	\$1,620	3	\$2,177	\$2,500
3 BR	4	1	\$2,750	-	-	2	\$1,869	1	\$2,514	\$2,800
Total	36	5		3		23		5		
* Rents are net of the utility allowance										

Project-Based Rental Subsidy	
Type	MRVP
Term	20 y
Administrator	TBD
Lesser of contract or market rents.	

8. Operating Overview

Underwritten Operating Expenses	\$396,300 (approximately \$11,000 per unit)
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Basis of Operating Costs. Operating expense assumptions are based on the review of comparable properties, borrower-proposed budget, and borrower supporting documentation.

9. Project Costs

Core Residential Costs	
Base	\$18,539,447
Extraordinary	\$9,879,374
Total	\$28,418,821
Commercial, Site and Other Non-Residential Costs	
Commercial Costs	\$0
Site and Other Non-residential Costs	\$884,771
Total	\$884,771
Total Development Cost	
Total	\$29,303,592

Project Construction Costs	
Total Construction Cost	\$21,762,512
Construction per Square Foot	\$499

Background on Extraordinary Residential Costs. The Development’s location on Martha’s Vineyard and the complexity of transporting materials, equipment, and workers to the island is the primary driver of extraordinary costs. A limited number of general contractors have the capacity to take on such a job, and the Sponsor only received two bids for the construction contract. Dellbrook estimates the island location adds a 40% premium to development costs.

Background on Commercial, Site and Other Non-Residential Costs. Non-residential costs carried in the development budget include construction of a 1,056-square foot community building containing meeting space and a management office. Earth work, site preparation, landscaping and paving related to the community building are included in the non-residential costs.

10. Sources and Uses

Sources of Funds	Total
MH Permanent Loan	\$4,349,000
Federal LIHTC Equity	\$13,754,682
State LIHTC Equity	\$3,362,000
EOHLC – HOME	\$750,000
EOHLC – AHTF, NATL HTF, HSF	\$2,500,000
EOHLC – ARPA	\$1,688,848
Island Housing Trust	\$2,217,052
Town of Edgartown	\$412,260
Deferred Fee	\$269,750
Total Sources	\$29,303,592

Core Residential Uses of Funds	Total	
		<i>Per Unit</i>
Acquisition	\$4,500	\$125
Construction	\$20,877,741	\$579,937
Construction Contingency	\$1,086,226	\$30,173
General Development	\$4,056,047	\$112,668
Operating Reserves	\$363,291	\$10,091
Overhead	\$1,015,508	\$28,209
Fee	\$1,015,508	\$28,209
Total Residential Uses	\$28,418,821	\$789,412

Base Costs		Extraordinary Costs	
	<i>Per Unit</i>		<i>Per Unit</i>
\$4,500	\$125	-	-
\$12,526,645	\$347,962	\$8,351,096	\$231,975
\$668,671	\$18,574	\$417,555	\$11,599
\$3,903,047	\$108,418	\$153,000	\$4,250
\$217,975	\$6,055	\$145,316	\$4,037
\$609,305	\$16,925	\$406,203	\$11,283
\$609,305	\$16,925	\$406,203	\$11,283
\$18,539,447	\$514,985	\$9,879,374	\$274,427

Commercial Uses	\$0
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Site and Other Nonresidential Uses*	\$884,771
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Total Uses	\$29,303,592
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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		\$213,300
Rental Income – Non-Rental Subsidy		\$570,564
<hr/>		
Gross Potential Residential Income		\$783,864
<hr/>		
Vacancy – Project-Based Rental Subsidy	2.5%	(\$5,333)
Vacancy – Non-Rental Subsidy	3.4%	(\$19,724)
<hr/>		
Gross Residential Income		\$758,808
<hr/>		
Other Income – Laundry		\$3,600
<hr/>		
Effective Gross Income		\$762,408

Expenses		
Residential Operating Expenses		\$396,311
<hr/>		
Net Operating Income		\$366,097
Debt Service		(\$299,979)
<hr/>		
Cash Flow		\$66,119

Debt Service Coverage 1.22

Residential Operating Expense Detail			<i>Per Unit</i>
Management Fee	5.36%	\$40,900	\$1,136
Administrative Costs		\$85,609	\$2,378
Maintenance Costs		\$127,732	\$3,548
Resident Services		\$35,000	\$972
Ground Lease		\$900	\$28
Utilities (water and sewer, hot water)		\$38,032	\$1,056
Insurance		\$20,389	\$566
Taxes		\$18,876	\$524
Replacement Reserves		\$18,000	\$500
Mortgage Insurance Premium		\$10,873	\$302
<hr/>			
Total		\$396,311	\$11,008

Operating Expenses as a Percent of EGI 52.0%

12. Underwriting

1. **Average Income Set-Aside.** The Sponsor proposes the use of average income set-aside for this transaction. All 80% AMI units are eligible for tax credits, and the unit mix provides an average income restriction of 57.78%, which is below the EOHLC maximum average income restriction of 59% of AMI. The MassHousing 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.
2. **Ground Lease.** The Borrower will enter into a 99-year ground lease with the Town of Edgartown at construction closing, with an upfront payment of \$4,500 and annual lease payments of \$900. IHT will enter into a separate 99-year ground lease with the Town for the parcel where the homeownership buildings will be constructed. MassHousing review and approval of the ground lease documents will be required prior to loan closing.
3. **Capitalized Reserves.** The Sponsor has identified \$363,296 in Capitalized Reserves consisting of:
 - Operating Reserve of \$260,940, equal to 6% of the first loan amount, to be held by MassHousing.
 - Initial Deposit to Replacement Reserve of \$18,000 (\$500/unit).
 - The remaining operating reserves are not required by MassHousing and will be held by either the Equity Investor or Sponsor.
4. **Utility Cost Estimate.** Utility expenses are based on estimates from an energy model that is currently under review. To the extent that the energy model increases projected utility costs, the loan size may be adjusted accordingly.
5. **Resident Services.** The operating budget includes funding for a part-time Resident Services Coordinator, who will be employed by TCB as part of its Community Life program. The coordinator will work closely with Martha's Vineyard Community Services of Oak Bluffs to offer mental health counseling, youth and family services, support for seniors, and other assistance.
6. **Third Party Reports.** The MassHousing-commissioned appraisal is currently underway. To the extent that the report changes the underwritten rents, loan-to-value, or replacement reserve deposit amounts, the loan size may be adjusted accordingly.

Underwriting Criteria and Loan Terms	Meshacket Commons	Underwriting Standards
1. DSCR	1.22	Minimum of 1.10
2. Term/Amortization	40 y / 40 y	30-40 y, fully-amortizing
3. Loan to Value	TBD	Maximum of 90% based on third party "as-proposed" investment value
4. Underwriting Rents	Programmatic rent cap or rents supported by MassHousing market review.	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% for MRVP 3.0% for 60% AMII 5.0% for 80% AMI	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) Note: Additional initial deposit to reserves may be required by the third party CNA to fund twenty-year capital needs.
8. Operating Expenses	Approximately \$11,000 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.

Meshacket Commons VOTES AND FINDINGS

PROPOSALS AND VOTES

Mortgage Loans

Staff has reviewed the proposal for (i) permanent and equity 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 \$4,349,000, 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 \$10,700,000 in each case to be made to Meshacket LLC or another single-purpose entity controlled by Affirmative Investments, Inc. and Island Housing Trust Corporation (the “Borrower”) as owner of the multifamily residential development known as “Meshacket Commons” (the “Development”) and located in Edgartown, 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 Chief Executive Officer, 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 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 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 Chief Executive 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 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 Loans 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:

Thirty-six 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 February 23, 2024. 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 (720 approximate units) in the area revealed a strong market, with increasing rental and occupancy rates over the past three years. Current occupancy rates of the five developments reviewed averaged approximately 94.6 % and ranged between 92% and 100%. One of the comparables was offering 4 weeks free rent with a 13-month lease.

1st Qtr. 2024 CoStar data for the subject's South Plymouth County (9,800 units) has an overall vacancy rate at 9.3% YTD, which is an increase of 4.78% from one year ago. CoStar data for the Boston market (273,037 units) has an overall vacancy rate of 5.6% YTD, which is an increase of .42% from one year ago. The South Plymouth County submarket vacancy rate is projected to decrease to 4.8% over the next five years, while the Boston market is projected to decrease to 5.2%.

CoStar submarket data for the 4-5 Star building type (2,421 units) indicates a 1st Qtr. 2024 vacancy rate of 21.3% and an average asking rent of \$2,651, while submarket data for the subject's 3 Star building type (3,433 units) indicates a 1st Qtr. 2024 vacancy rate of 7.9% at an average asking rent of \$2,183 and 1-2 Star buildings (3,510 units) indicates a 1st Qtr. 2024 vacancy rate of 1.9% at an average asking rent of \$1,818. 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 Executive Office of Housing and Livable Communities (EOHLC) Chapter 40B Subsidized Housing Inventory (6/29/23), the town of Edgartown has 2,440 year-round housing units, 73 (2.99%) of which are subsidized for low/moderate income households.

The Dukes County Regional Housing Authority (DCRA) manages 95 year-round rental apartments consisting of eleven SRO's, three studio apartments, 48 one-bedroom apartments, 28 two - bedroom apartments and 16 three-bedroom apartments, which serve over 190 island residents who

make less than 80% of the area median income. Per the representative, there are 231 applicants on the DCRHA waiting list. Per the representative of DCRA, they do not administer any Housing Choice Vouchers (HCV). Applicants looking for affordable housing in the Tisbury area can contact Housing Assistance Corporation (HAC). HAC is the regional administrator for Section 8 Vouchers on the Cape and works closing with other town housing authorities. Also, per the representative of DCRA, Island Elderly Housing (IEH) manages 165 apartments for low-income elderly/ disabled residents. These apartments are subsidized by HUD and the USDA-Rural Development, and the waiting lists are maintained by IEH.

U.S. Census data from the 2018-2022 American Community Survey (ACS) indicates that of the 213 households in the Town of Tisbury, approximately 61.6% earned less than the HUD published 2023 AMI (\$124,900), approximately 29.6% earned less than 50% of 2023AMI, approximately 37.7% earned less than 60% of the 2023AMI and approximately 49% 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:

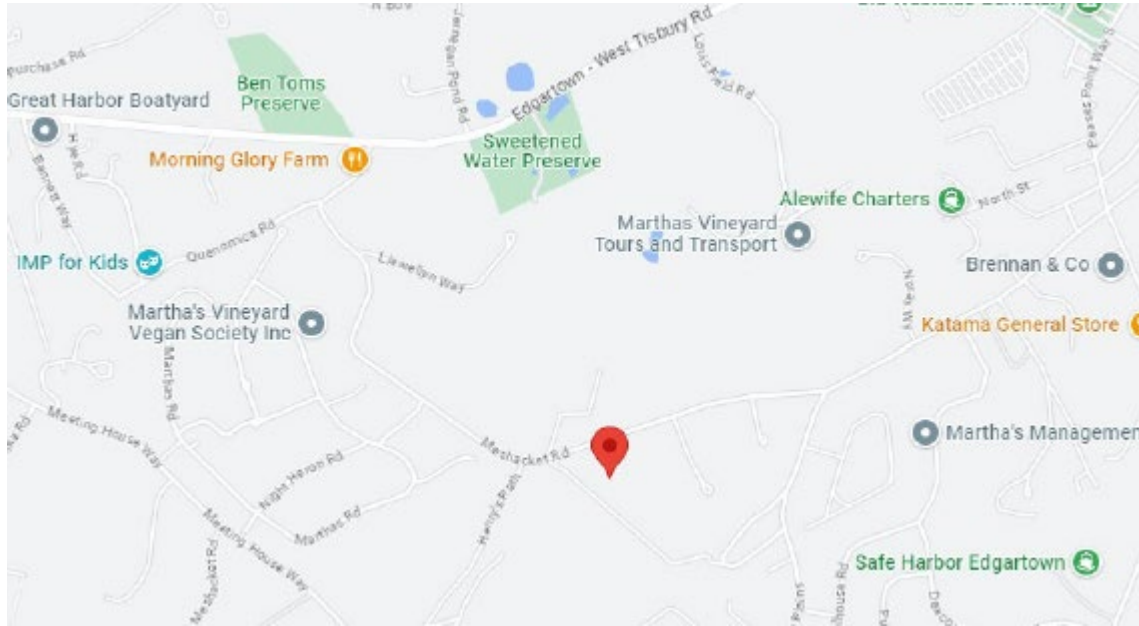
Pursuant to Section 6(a) of the Act, MassHousing makes the following rental determinations for units within the proposed Development:

Rent Schedule:

Number of Bedrooms	1	2	3
Number of Units	8	24	4
Net SF/Unit	721	974	1326
Elev./Non-Elev.	Non-Elev.	Non-Elev.	Non-Elev.
Market Rate Rent	\$2,115	\$2,270	\$2,722
MHFA Below Market Rent (Cost-Based Rent)	\$1,644	\$1,799	\$2,251
MHFA Adjusted Rent	30% of 60% AMI		
Underwriting Rents			
MRVP	\$1,975	\$2,275	\$2,750
60% AMI	\$1,352	\$1,620	\$1,869
80% AMI	\$1,816	\$2,177	\$2,514

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 Commitment Proposal | April 9, 2024

Meshacket Commons

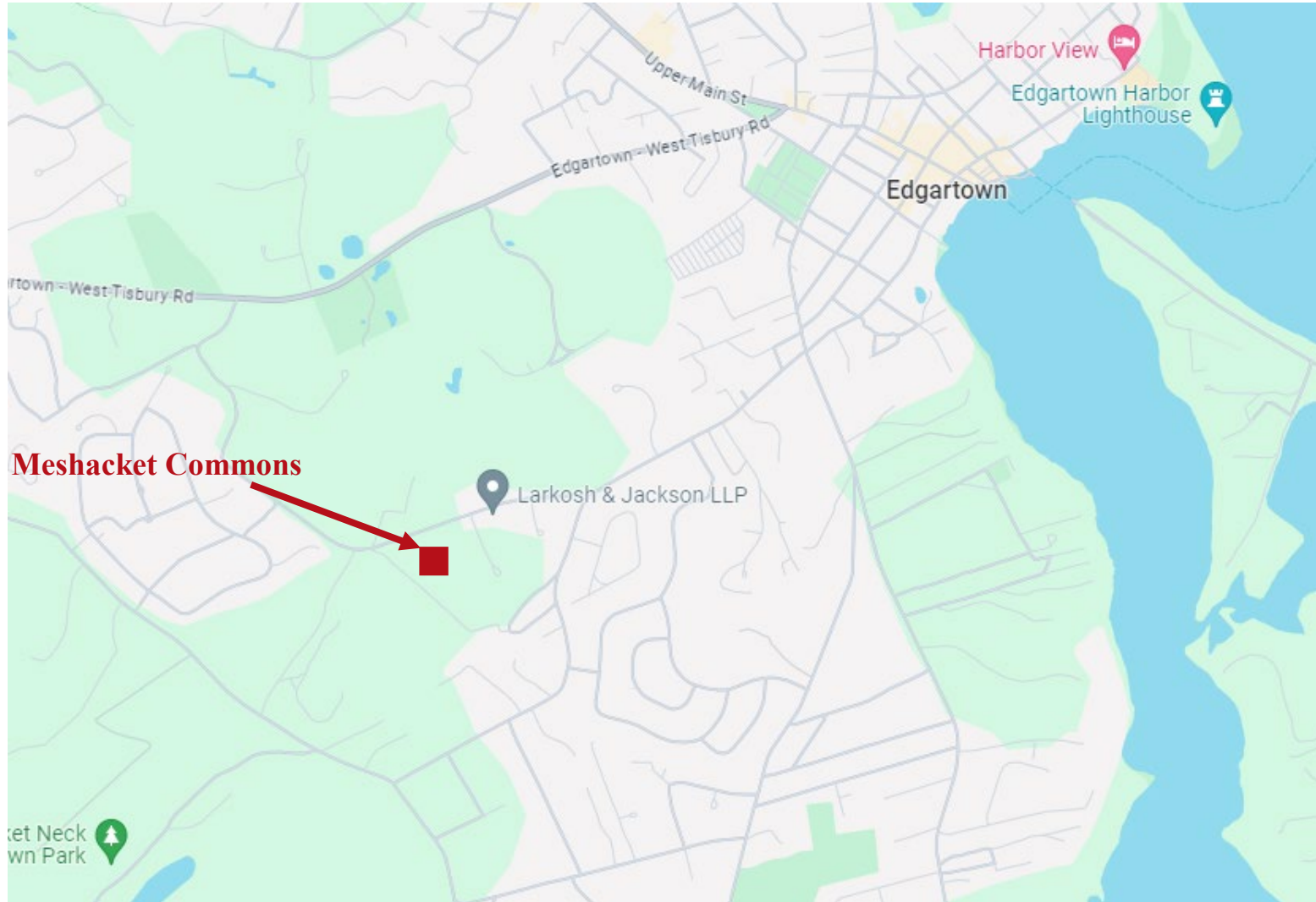


Location	Edgartown
Sponsor	AI/IHT LLC
Transaction Type	Production (4%)
Funding Type	Forward Commitment of Permanent Loan
Execution Type	Portfolio (TE)
Credit Enhancement	HUD/FHA Risk-Sharing with 50% credit risk
Total Rental Units	36
Affordability Mix	36 Affordable

Deal Team Members

Origination	Jeff Geller, Matt Deych
Underwriting	Nick Ye, Matt Schoenberg
Asset Management	Greta Appleton, Dan Discenza

Meshacket Commons | Edgartown



Borrower Team

Mortgagor Entity	Meshacket LLC
Developer / Sponsor	AI/IHT LLC
General Partner / Managing Member	Affirmative Investments, Inc. (51%) Island Housing Trust (49%)
Construction Lender	Rockland Trust
Syndicator / Investor	Stratford Capital
Management Company	The Community Builders, Inc.
Architect	Union Studio
General Contractor	Dellbrook / JKS

Unit Mix

Unit Size	Total Units	LIHTC-Eligible*								Market Comparison
		30% AMI (MRVP)		50% AMI (MRVP)		60% AMI		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>	
1 BR	8	2	\$1,975	1	\$1,975	4	\$1,352	1	\$1,816	\$2,000
2 BR	24	2	\$2,275	2	\$2,275	17	\$1,620	3	\$2,177	\$2,500
3 BR	4	1	\$2,750			2	\$1,869	1	\$2,514	\$2,800
Total	36	5		3		23		5		

** Rents are net of utility allowance*

Project Costs

Core Residential Costs	
Base	\$18,539,447
Extraordinary	\$9,879,374
Total	\$28,418,821
Commercial and Non-Residential Costs	
Commercial Costs	\$0
Site and Other Non-Residential Costs	\$884,771
Total	\$884,771
Total Development Cost	
Total	\$29,303,592

Project Construction Costs	
Total Construction Cost	\$21,762,512
Construction per Square Foot	\$499

Sources and Uses

Sources of Funds		Uses of Funds	
MH Permanent Loan	\$4,349,000	Acquisition	\$4,500
Federal LIHTC Equity	\$13,754,682	Construction	\$21,762,512
State LIHTC Equity	\$3,362,000	Construction Contingency	\$1,086,226
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EOHLC – AHTF,NATL, HTF,HSF	\$2,500,000	Operating Reserves	\$363,291
EOHLC – ARPA	\$1,688,848	Overhead	\$1,015,508
Island Housing Trust	\$2,217,052	Fee	\$1,015,508
Town of Edgartown	\$412,260		
Deferred Fee	\$269,750		
Total Sources	\$29,303,592	Total Uses	\$29,303,592

Underwriting Notes

1. Average Income Set-Aside
2. Ground Lease
3. Capitalized Reserves
4. Utility Cost Estimate
5. Resident Services
6. Third Party Reports

Recommended Votes

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

Loan Commitment Proposal | April 9, 2024

Province Post

1. General Project Information	
Project Name	Province Post
Project ID	23-119
Associated Projects	N/A
Address(es)	3 Jerome Smith Road, Provincetown, MA 02657
Sponsor	The Community Builders, Inc.
Transaction Type	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	65
Affordability Mix	45 Affordable 16 Middle-Income (formerly known as MassHousing’s Workforce Housing) 4 Market

2. Recommended Actions

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

The proposed financing of Province Post (the “Development”) will support the construction of four (4) new three-story (3) buildings comprised of sixty-five (65) mixed-income year-round rental units in Provincetown.

The Community Builders, Inc. (the “Sponsor” and “TCB”) was selected through a competitive RFP process by the Town of Provincetown to redevelop a former Veterans of Foreign Wars (“VFW”) site into affordable housing. The Sponsor also purchased the adjacent parcel, 55R Captain Bertie’s Way, to expand the site’s footprint.

In 2012, TCB completed construction of 50 affordable rental units at Province Landing, located at 90 Shank Road in Provincetown, 0.1 mile from the Development. TCB continues to own and self-manage Province Landing.

3. MassHousing Financing	
First Loan	
Type	Tax-Exempt Permanent Loan
Loan Amount	Up to \$2,849,000
Interest Rate	30-Year MMD plus 252 basis points (bps) to be locked at Construction Loan Closing (projected at 6.47%)
Loan Term / Amortization	40 y / 40 y
Term of Fwd Commitment	Up to 30 mo
Year 1 DSCR	1.39x projected (1.10x minimum)
LTV	TBD (90% maximum)
Equity Bridge Loan	
Type	Tax-Exempt Equity Bridge Loan
Loan Amount	Up to \$19,300,000
Interest Rate	SOFR plus 222 bps to be locked at Construction Loan Closing (projected at 7.53%)
Loan Term/Amortization	Up to 12 months/interest only
Middle-Income Housing Subordinate Loan (formerly known as MassHousing’s Workforce Housing Loan Program)	
Type	Middle-Income Housing Subordinate Loan
Loan Amount	\$1,600,000
Interest Rate	3% projected*
Loan Term/Amortization	40 y/non-amortizing
Cash Flow Sharing	To the extent there is cashflow during operations, 50% will be split between MassHousing and the other subordinate lenders on a pari-passu basis, with MassHousing’s share being used to service principal on the Middle-Income Housing Subordinate Loan.

**The projected rate is below programmatic requirement of rate no greater than Applicable Federal Rate (AFR).*

4. Development Plan

Description of Site. The Development is located on four (4) contiguous vacant parcels totaling 78,063 square feet (the “Site”). The Site was formerly improved with a building occupied by VFW Post #3152 that was demolished in 2021. The Site currently consists of undeveloped land, a parking lot and shed structures.

The Site is one (1) block from Route 6, one (1) mile from the Provincetown ferry terminal, which offers multiple daily service to Boston, and approximately two and a half (2.5) miles from the Provincetown Municipal Airport. The Site is within one (1) mile of Provincetown’s main commercial center and the elementary and high schools. Outer Cape’s Provincetown Health Center is less than a mile away.

Description of Existing or Proposed Building. The Development will feature a mix of studio, one-, two- and three-bedroom units. In addition, on-site amenities will include centralized laundry facility, tenant storage, property management office and forty-five (45) parking spaces, which will include four (4) spaces equipped with EV charging stations, along with interior and exterior bicycle parking and storage.

Each of the four (4) walk-up buildings will be designed to comply with Energy Star Multifamily Version 1.1 and Enterprise Green Community Star requirements. All residential and common areas will be provided with Energy Star rated appliances and LED light fixtures and will be supplemented by motion sensors and photocells to further reduce electricity usage. The roof of each building will feature roof-mounted solar panels that will be installed during construction (additional details provided in Section 12. Underwriting).

Description of Affordability Mix. Sixty-one (61) units will be subject to income restrictions with set-asides ranging from 30% of Area Median Income (“AMI”) to 80% of AMI.

Thirteen (13) units will benefit from project-based rental assistance, of which seven (7) will benefit from a project-based Section 8 HAP contract and six (6) will benefit from a project-based MRVP contract.

Site Control. Site control will be fee simple. An affiliate of the Sponsor entered into a Purchase and Sale Agreement for 3 Jerome Smith Road (3 parcels) in July 2022 with the Town of Provincetown for the purchase price of \$100. An affiliate of the Sponsor acquired 55R Captain Bertie’s Way (1 parcel), adjacent to 3 Jerome Smith Road, in June 2022 by deed in fee simple in an arm’s length transaction with a private seller. The affiliate paid \$1,400,000 for that parcel.

5. Borrower Team

Mortgagor Entity: Province Post LLC

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

Developer / Sponsor: The Community Builders, Inc.

The Community Builders, Inc. (“TCB”) was founded in 1964 and is a leading nonprofit housing developer and owner in the United States. TCB’s mission is to build thriving communities. They develop, finance and operate affordable and mixed-income residential communities, neighborhood amenities and resident opportunity programs. Over the years, TCB has constructed or preserved numerous affordable and mixed income housing developments, securing billions in project financing from public and private sources. Currently, TCB owns or manages over 13,600 apartments across 14 states and the District of Columbia, with regional offices in Boston, Chicago, Columbus, New York and Washington, D.C.

General Partner / Managing Member: Province Post MM LLC

Construction Lender: Merchants Capital

Merchants Capital is a subsidiary of Merchants Bancorp. Merchants Bancorp is a diversified bank holding company headquartered in Carmel, Indiana operating multiple lines of business, including but not limited to Federal Housing Administration multi-family housing and healthcare facility financing and servicing, retail and correspondent residential mortgage banking, and traditional community banking. Merchants Bancorp, with \$17 billion in assets and \$14.1 billion in deposits as of December 31, 2023, conducts its business primarily through its direct and indirect subsidiaries, Merchants Bank, Merchants Capital Corp, Merchants Capital Servicing, LLC, and Merchants Mortgage, a division of Merchants Bank.

Merchants Capital was established in 1990 as a mortgage banking firm and offers construction, bridge, and permanent debt financing with the ability to pair affordable debt with tax credit equity. For 2023, Merchants Capital reports providing more than \$6.2 billion in debt and achieved top government-sponsored enterprise (GSE) lender rankings. This is MassHousing’s first transaction working with Merchants Capital as the construction lender.

Syndicator / Investor: Merchants Capital

Merchants Capital is a subsidiary of Merchants Bancorp and provides debt and equity executions for multi-family affordable developments. Merchants Capital provides structured equity investment solutions for the nation’s affordable housing developers and investors through proprietary, multi-investor, historic and state tax credit funds. Since its inception, Merchants Capital has raised over \$1.4 billion in equity for LIHTC transactions with over 40 active fund investors. In 2023 Merchants Capital provided \$656 million in tax credit equity.

This is MassHousing’s first transaction working with Merchants Capital as the investor.

Management Company: The Community Builders, Inc.

TCB is a MassHousing-approved management agent with over 2,100 units under management in MassHousing’s debt portfolio and more than 11,000 apartments owned or managed across fourteen states and Washington D.C.

Architect: DBVW Architects, Inc.

DBVW Architects, Inc. (“DBVW”) is a Rhode Island-based architectural firm founded in 1994 by Steve Durke and Doug Brown, and later became Durke, Browne Viveiros & Werenfels Architects in 2000. Today, the firm employs over thirty-six professionals and provides full-service architectural and interior design for projects of all scopes and scales.

General Contractor: Delphi Construction, Inc.

Delphi Construction, Inc. (“Delphi”) has been providing comprehensive, multi-market construction management services throughout New England since 1992, with a focus on the markets of healthcare, assisted living, affordable housing, multi-family residential, banking, religious, corporate, education and modular construction. Delphi employs over 40 full time personnel, with offices in Waltham and Cape Cod, Massachusetts.

6. Summary of MassHousing-Sponsor Relationship	
Number of Projects with MassHousing Debt	21
Total Units with MassHousing Debt	2194
Outstanding MassHousing Principal Debt	\$235,063,034
Adverse Actions Against the Borrower Team	No
Current on Obligations with MassHousing	Yes, as of 3/6/2024
Property Management Affiliate	Yes, TCB manages properties in the TCB portfolio and offers management services to properties outside of its portfolio.

MassHousing Staff	
Origination	Robert Muollo, Originator Teddy Eleevia, Analyst
Underwriting	Christelle Mbah, Underwriter Rachel Carlson, Analyst
Asset Management	Dan Discenza, Portfolio Manager Megan Delsignor, Asset Manager

7. Unit Mix

Unit Size	Total Units	LIHTC*										Market Comparison
		30% AMI (MRVP)		30% AMI (Section 8)		60% AMI		80% AMI		Unrestricted		
		Count	Rent	Count	Rent	Count	Rent	Count	Rent	Count	Rent	
0 BR	18	2	\$1,475	2	\$1,309	9	\$983	5	\$1,365			\$1,475
1 BR	32	2	\$1,585	3	\$1,485	18	\$1,035	7	\$1,446	2	\$1,688	\$1,875
2 BR	10	1	\$2,082	2	\$1,954	4	\$1,222	2	\$1,714	1	\$2,070	\$2,300
3 BR	5	1	\$2,541			1	\$1,394	2	\$1,963	1	\$2,340	\$2,600
Total	65	6		7		32		16		4		

* All low-income housing tax credit (“LIHTC”) rents are net of utility allowances.

Project-Based Rental Subsidy	
Type	Section 8
Term	20 y
Administrator	Housing Assistance Corporation (HAC)
Lesser of contract or market rents	

Type	MRVP
Term	15 y
Administrator	Housing Assistance Corporation (HAC)
Lesser of contract or market rents	

8. Operating Overview

Underwritten Operating Expenses	\$743,000 (approximately \$11,400 per unit)
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Basis of Operating Costs. Operating expense assumptions are based on the review of comparable properties, borrower-proposed budget, and borrower supporting documentation.

9. Project Costs

Core Residential Costs	
Base	\$32,565,674
Extraordinary	\$8,504,000
Total	\$41,069,674
Commercial, Site and Other Non-Residential Costs	
Commercial Costs	\$-
Site and Other Non-residential Costs	\$2,766,800
Total	\$2,766,800
Total Development Cost	
Total	\$43,836,474

Project Construction Costs	
Total Construction Cost	\$26,590,777
Construction per Square Foot	\$406

Background on Extraordinary Residential Costs. The development budget includes escalated costs related to supply chain delays, current market conditions and location of the Development on the Outer Cape.

Background on Commercial, Site and Other Non-Residential Costs. Costs are primarily associated with the following factors: general preparation site work, excavation, cut and fill of soil, storm drainage, sewer connection, water service and site improvement.

10. Sources and Uses

Sources of Funds	Total
MH Permanent Loan	\$2,849,000
MH Middle-Income Loan	\$1,600,000
Federal LIHTC	\$12,256,832
State LIHTC Equity	\$9,014,500
Solar Equity	\$201,780
GP Equity	\$100
EOHLC AHTF & ARPA - 2	\$6,602,923
EOHLC HSF, FCF	\$2,750,000
Provincetown Local Contribution & CPA, Town of Truro - CPA	\$3,600,000
Barnstable County HOME & ARPA	\$1,400,000
Seller Note	\$1,644,900
Cape Light Compact	\$951,156
Deferred Developer Fee	\$965,283
Total Sources	\$43,836,474

Core Residential Uses of Funds	Total	
		Per Unit
Acquisition	\$3,045,000	\$46,846
Construction	\$24,174,777	\$371,920
Construction Contingency	\$1,208,739	\$18,596
General Development	\$8,295,637	\$127,625
Operating Reserves	\$628,753	\$9,673
Overhead	\$1,858,384	\$28,591
Fee	\$1,858,384	\$28,591
Total Residential Uses	\$41,069,674	\$631,841

Base Costs		Extraordinary Costs	
	Per Unit		Per Unit
\$3,045,000	\$46,846	\$-	\$-
\$18,596,777	\$286,104	\$5,578,000	\$85,815
\$929,739	\$14,304	\$279,000	\$4,292
\$6,549,637	\$100,764	\$1,746,000	\$26,862
\$497,753	\$7,658	\$131,000	\$2,015
\$1,473,384	\$22,667	\$385,000	\$5,923
\$1,473,384	\$22,667	\$385,000	\$5,923
\$32,565,674	\$501,010	\$8,504,000	\$130,831

Commercial Uses*	\$-
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Site and Other Nonresidential Uses*	\$2,766,800
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Total Uses	\$43,836,474
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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		\$260,688
Rental Income – Non-Rental Subsidy		\$790,152
Gross Potential Residential Income		\$1,050,840
Vacancy – Project-Based Rental Subsidy	3.0%	(\$7,821)
Vacancy – Non-Rental Subsidy	4.0%	(\$31,405)
Gross Residential Income		\$1,011,614
Other Income – Laundry		\$8,370
Effective Gross Income		\$1,019,984

Expenses		
Residential Operating Expenses		\$743,428
Net Operating Income		\$276,555
Debt Service		(\$199,426)
Cash Flow		\$77,130

Debt Service Coverage 1.39

Residential Operating Expense Detail			<i>Per Unit</i>
Management Fee	6.5%	\$66,299	\$1,020
Administrative Costs		\$172,199	\$2,649
Maintenance Costs		\$187,853	\$2,890
Resident Services		\$10,750	\$165
Security		\$500	\$8
Utilities (water and sewer, electricity)		\$120,375	\$1,852
Insurance		\$142,930	\$2,199
Taxes		\$12,000	\$185
Replacement Reserves		\$23,400	\$360
Mortgage Insurance Premium		\$7,123	\$110
Total		\$743,428	\$11,437

Operating Expenses as a Percent of Effective Gross Income 72.9%

12. Underwriting

1. **Off-budget Work.** Prior to the Sponsor’s acquisition of the site, the Town will be removing the existing septic system and installing a new sewer line. The Town will be bringing the sewer main from George’s Path through 3 Jerome Smith to the street at the curb and in front of the Development and installing all the tees and stubs. This work is not part of the development budget and is part of the Town’s larger sewer expansion project. The work will be performed by the Town’s 3rd party designer and contractor, AECOM and is anticipated to take about 6 weeks. The Sponsor and the Town are aware that the work cannot proceed until MassHousing has completed and HUD has approved the environmental review.
2. **Early Construction Start.** The Sponsor has negotiated construction pricing assuming an early June 2024 construction start. Any delays in the commencement of construction will result in an additional 1% escalation of the contract amount per month. The Sponsor is coordinating a limited notice to proceed after the Town’s off-budget work is complete. It is anticipated that the limited notice would include setting up the construction trailer, site fence, erosion control, and signage, site clearance of all vegetation and roots, complete preliminary tie-ins into the new sewer system, and some soil removal.
3. **Term of Forward Commitment.** The 30-month forward commitment contemplated in this proposal assumes that the off-budget work will take place prior to construction loan closing, and infrastructure and vertical construction, lease-up and cost certification will take place within the 30-month time period. Specifically, the current assumptions are as follows:
 - Infrastructure and Vertical Construction – 21 months
 - Lease-up – 5 months
 - Cost Certification/Loan Funding – 4 months
4. **Debt Service Coverage.**

The loan is sized to include a Year 1 debt service coverage ratio (“DSCR”) higher than MassHousing’s 1.10 minimum underwriting standard to offset downward trending DSCR in later years of operation. The loan is sized to achieve a minimum of 1.10 DSCR in Year 15 and breakeven coverage in Year 20.
5. **Underwritten Rents.** Underwritten rents for rental assisted units are capped at achievable market rents, using market data from a Borrower-commissioned study. Rents may be adjusted based on the results of the MassHousing commissioned appraisal.
6. **Average Income Set-Aside.** The Sponsor proposes the use of average income set-aside for this transaction. The Middle-Income units are anticipated to be eligible for tax credits, and the unit mix provides an average income restriction of 58.85%, which is below the 59% maximum required by the Executive Office of Housing and Livable Communities

(“EOHLC”). MassHousing has commissioned a 3rd party market analysis to confirm 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. **Middle-Income Housing Restriction.** Sixteen (16) units at the Development will be subject to both Middle-Income Housing and LIHTC restrictions. These units are underwritten at a 5% discount to the maximum allowable 80% AMI rent level.
8. **Real Estate Taxes.** The Sponsor is pursuing a real estate tax exemption under the Town’s program for owners of affordable year-round rental housing. Under the program, the Sponsor will be reimbursed for real estate taxes for the sixty-one (61) affordable units on a square footage basis and the operating budget assumes taxes for the four (4) market rate units. The Sponsor has calculated total real estate taxes of \$16,991 based on the FY24 tax rate of \$5.58 per 1,000 of assessed value of \$3,045,000. The Sponsor is conservatively assuming an annual reimbursement of \$5,000. Province Landing also benefits from this tax exemption program.
9. **Resident Services.** The Sponsor is planning to contract with a local non-profit organization to provide resident services at the Development. The non-profit service provider, with oversight from TCB, will provide residents with housing stability and financial independence through an array of services such as resume writing workshops, assistance on employment applications, benefits applications and connecting residents to needs-based community services.
10. **Solar Tax Credit Equity.** The development budget includes the direct purchase of roof-mounted photovoltaic solar panels, which are anticipated to qualify for the Federal 30% Investment Tax Credit (“ITC”), equal to \$201,780. The purchase of solar ITCs is included in the equity Letter of Interest (“LOI”). Eligibility for the ITC is based on the installation cost and not on performance.

Energy savings are anticipated and are currently assumed in the operating budget under review with staff. Staff have determined that this system is aligned with the goals and intent of the MassHousing policy, and any necessary approvals or signoffs will be made at the staff level.

11. **Other Funding Sources.** Cape Light Compact (“CLC”) offers enhanced incentives for properties participating in MassSave to encourage the construction of high-efficiency, all-electric multi-family affordable housing projects on the Cape Cod and Martha's Vineyard. CLC offered an incentive package to the Sponsor in the amount of \$951,156 for high-efficiency electric heat pumps and building envelope measures. Similar to MassSave, after completion CLC will provide a rebate payment and the proceeds will be loaned back to Province Post.

12. **Acquisition.** The Acquisition line item of \$3,045,000 included in the development budget is made up of:
- Repayment of a June 2022 CEDAC acquisition loan of \$1,400,000 for 55 Captain Bertie’s Way
 - Acquisition of 3 Jerome Smith Road from Town for \$100
 - Seller Note of \$1,644,900
13. **Third Party Reporting.** The MassHousing “as-is” appraisal and a market analysis update have been commissioned. The “as proposed” appraisal will be commissioned soon. 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	Province Post	Underwriting Standards
1. DSCR	1.39x	Minimum of 1.10
2. Term/Amortization	40 y / 40 y	30-40 y, fully-amortizing
3. Loan to Value	TBD	Maximum of 90% based on third party "as-proposed" investment value
4. Underwriting Rents	<ul style="list-style-type: none"> • Lesser of Project-Based Section 8 or MRVP contract or market supported rents. • 60% AMI: Programmatic rent cap w. marketing window • 80% AMI: Programmatic rent cap w. marketing window 	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	<ul style="list-style-type: none"> • PB-Section 8 & MRVP: 3.0% • LIHTC 60% of AMI: 3.0% • LIHTC 80% of AMI: 5.0% 	Minimum of: <ul style="list-style-type: none"> • 2.5% for PB – Rental Subsidy • 3.0% for LIHTC • 5.0% for unrestricted or middle- income 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	\$360 unit / year	Minimum of: <ul style="list-style-type: none"> • \$360 unit / year (new construction) • \$500 unit / year (rehab)
8. Operating Expenses	Approximately \$11,400 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 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.

Province Post
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 “Province Post” (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 \$27,686,250 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

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 \$2,849,000, 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 \$19,300,000, in each case to be made to Province Post LLC or another single-purpose entity controlled by The Community Builders, Inc. (the “Borrower”) as owner of the multifamily residential development known as “Province Post” (the “Development”) and located in Provincetown, 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: To approve a subordinate mortgage loan to the Borrower for the Development in an amount not to exceed \$1,600,000 (1) to be funded from that portion of the Opportunity Fund approved by the Members of MassHousing on March 8, 2016, designated and reserved for workforce housing programs and (2) subject to the terms and conditions of MassHousing’s Workforce Program Guidelines adopted by the Members on July 12, 2016, as amended, and to any applicable delegations of authority previously approved by the Members of MassHousing.

4% Low-Income Housing Tax Credits

VOTED: That the amount of 4% Credits, as set by the Chief Executive Officer, 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 Provincetown, Massachusetts and known as “Province Post” (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 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 Chief Executive 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 or the Vice President of Multifamily Programs, and (2) such subordinate mortgage loans shall be subject to MassHousing's requirements pertaining to subordinate mortgages, in a manner acceptable to MassHousing's General Counsel or his designee.

STATUTORY FINDINGS AND DETERMINATIONS

Statutory Findings:

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

1. The affordability of rents for 20% of the units

45 units (69%) 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 February 21, 2024. 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 in the area, which contain approximately 613 units, revealed a strong market, with increasing rental and occupancy rates over the past three years. Current occupancy rates of the five developments reviewed averaged approximately 94.6% and ranged between 88% and 100%. One of the comparables was offering 4 weeks free rent as a concession.

1st Qtr. 2024 CoStar data for the subject’s South Plymouth County (9,800 units) has an overall vacancy rate at 9.3% YTD, which is an increase of 4.78% from one year ago. CoStar data for the Boston market (273,037 units) has an overall vacancy rate of 5.6% YTD, which is an increase of 0.42% from one year ago. The South Plymouth County submarket vacancy rate is projected to decrease to 4.8% over the next five years, while the Boston market is projected to decrease to 5.2%.

CoStar submarket data for the 4-5 Star building type (2,421 units) indicates a 1st Qtr. 2024 vacancy rate of 21.3% and an average asking rent of \$2,651, while submarket data for the subject’s 3 Star building type (3,433 units) indicates a 1st Qtr. 2024 vacancy rate of 7.9% at an average asking rent of \$2,183 and 1-2 Star buildings (3,510 units) indicates a 1st Qtr. 2024 vacancy rate of 1.9% at an average asking rent of \$1,818. 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 Executive Office of Housing and Livable Communities (“EOHLC”) Chapter 40B Subsidized Housing Inventory (6/29/23), the Town of Provincetown has 2,502 year-round housing units, 201 (8.3%) of which are subsidized for low/moderate income households.

The Provincetown Housing Authority (“PHA”) owns/operates 46 units of public housing which consists of 24 units for elderly/disabled applicants, 12 units for families and 10 units in a group home. Per the PHA representative, there are 11,587 applicants on the family waiting list and 3,107

applicants on the elderly waiting list. Per the PHA representative, the groups homes have a closed referral system. They also administer 7 MRVP vouchers and per the representative there are 15,000 applicants on the waiting list. Per the PHA representative, they do not administer other tenant-based assistance programs (e.g. Housing Choice Vouchers).

U.S. Census data from the 2018-2022 American Community Survey (“ACS”) indicates that of the 1,996 households in the Town of Provincetown approximately 65.5% earned less than the HUD published 2023 AMI (\$124,300), approximately 34.6% earned less than 50% of the 2023 AMI, approximately 40.1% earned less than 60% of the 2023 AMI and approximately 50.8% 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 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:

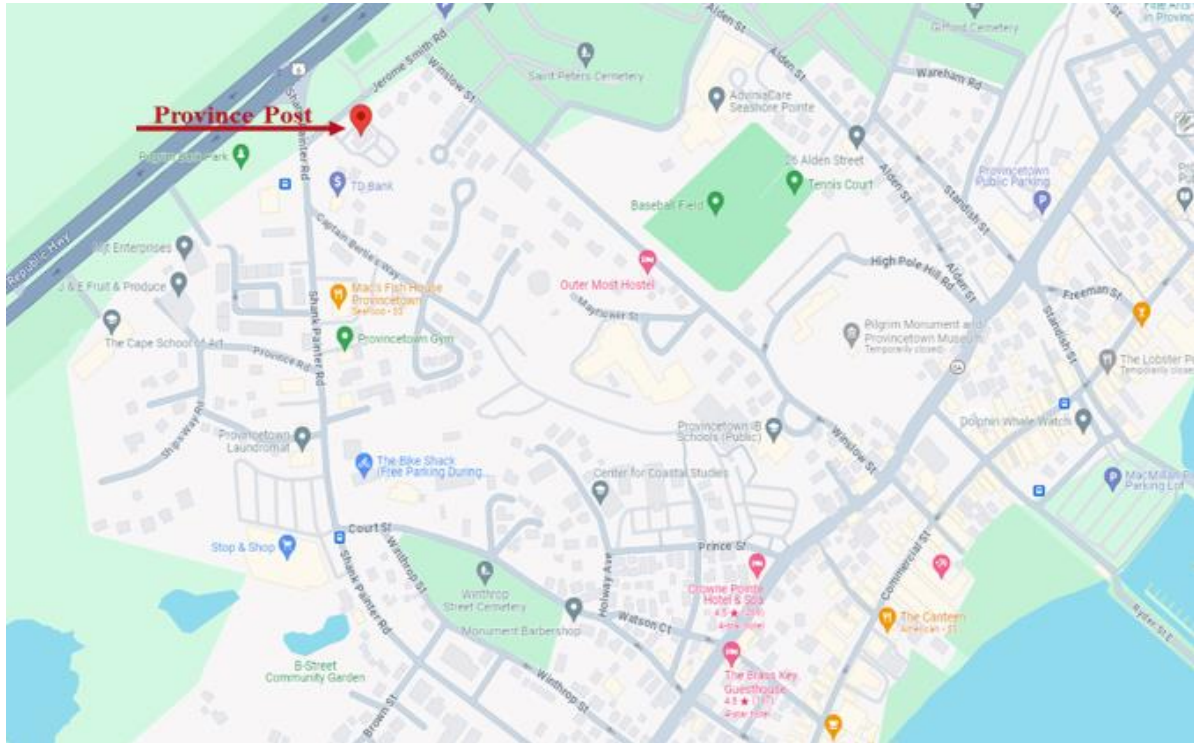
Pursuant to Section 6(a) of the Act, MassHousing makes the following rental determinations for units within the proposed Development:

Rent Schedule:

Number of Bedrooms	Studio	1 BR	2 BR	3 BR
Number of Units	18	32	10	5
Net SF/Unit	524	615	846	1,070
Elev./Non-Elev.	N	N	N	N
Market Rate Rent	\$2,686	\$2,748	\$3,143	\$3,546
MHFA Below Market Rent (Cost-Based Rent)	\$1,989	\$2,051	\$2,447	\$2,849
MHFA Adjusted Rent	30% of 60% of AMI			
Underwriting Rents				
MRVP	\$1,475	\$1,585	\$2,082	\$2,541
Sec 8	\$1,309	\$1,485	\$1,954	
60% LIHTC	\$983	\$1,035	\$1,222	\$1,394
80% LIHTC/MI	\$1,365	\$1,446	\$1,714	\$1,963
Market		\$1,688	\$2,070	\$2,340

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 Commitment Proposal | April 9, 2024

Province Post



Location	3 Jerome Smith Road, Provincetown, MA 02657
Sponsor	The Community Builders, Inc.
Transaction Type	Production (4%)
Funding Type	Forward Commitment of Permanent Loan
Execution Type	Portfolio (TE)
Credit Enhancement	HUD/FHA Risk Sharing with 50% Credit Risk
Total Rental Units	65
Affordability Mix	45 Affordable 16 Middle-Income (formerly known as MassHousing's Workforce Housing) 4 Market

Deal Team Members

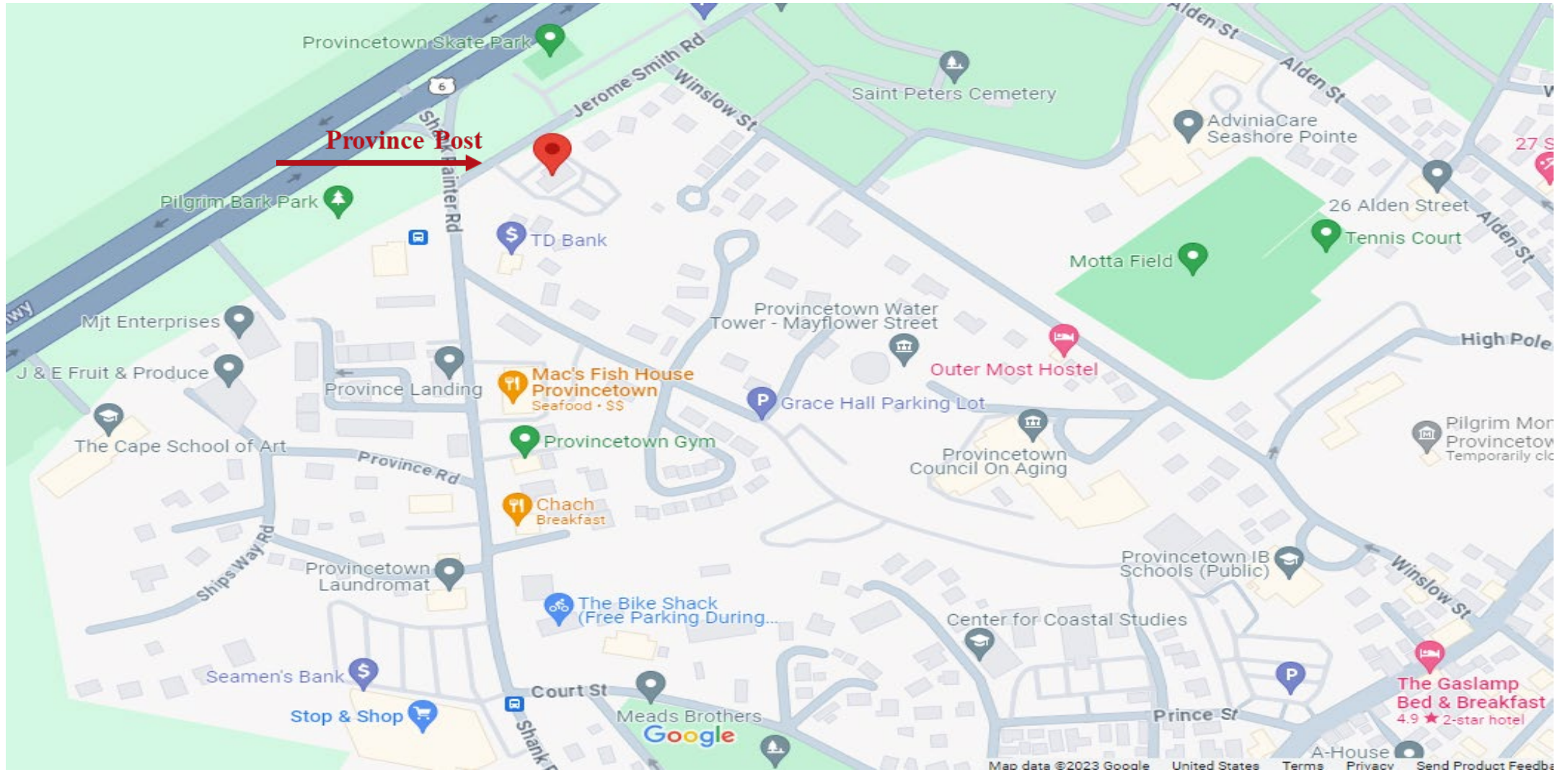
Origination	Bill Dunn, Robert Muollo, Teddy Eleevia
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Underwriting	Rachel Carlson, Christelle Mbah, Adam Krings
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Asset Management	Dan Discenza, Megan Delsignor
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Province Post | Provincetown



Borrower Team

Mortgagor Entity	Province Post LLC
Developer / Sponsor	The Community Builders, Inc.
General Partner / Managing Member	Province Post MM LLC
Construction Lender	Merchants Capital
Syndicator / Investor	Merchants Capital
Management Company	The Community Builders, Inc.
Architect	DBVW Architects, Inc.
General Contractor	Delphi Construction, Inc.

Unit Mix

Unit Size	Total Units	LIHTC*								Market Comparison		
		30% AMI (MRVP)		30% AMI (Section 8)		60% AMI		80% AMI		Unrestricted		Rent
		Count	Rent	Count	Rent	Count	Rent	Count	Rent	Count	Rent	
0 BR	18	2	\$1,475	2	\$1,309	9	\$983	5	\$1,365			\$1,475
1 BR	32	2	\$1,585	3	\$1,485	18	\$1,035	7	\$1,446	2	\$1,688	\$1,875
2 BR	10	1	\$2,082	2	\$1,954	4	\$1,222	2	\$1,714	1	\$2,070	\$2,300
3 BR	5	1	\$2,541			1	\$1,394	2	\$1,963	1	\$2,340	\$2,600
Total	65	6		7		32		16		4		

**All low-income housing tax credit (“LIHTC”) rents are net of utility allowances.*

Project Costs

Core Residential Costs	
Base	\$32,565,674
Extraordinary	\$8,504,000
Total	\$41,069,674
Commercial and Non-Residential Costs	
Commercial Costs	\$-
Site and Other Non-Residential Costs	\$2,766,800
Total	\$2,766,800
Total Development Cost	
Total	\$43,836,474

Project Construction Costs	
Total Construction Cost	\$26,590,777
Construction per Square Foot	\$406

Sources and Uses

Sources of Funds		Uses of Funds	
MH Permanent Loan	\$2,849,000	Acquisition	\$3,045,000
MH Middle-Income Loan	\$1,600,000	Construction	\$26,590,776
Federal LIHTC Equity	\$12,256,832	Construction Contingency	\$1,329,539
State LIHTC Equity	\$9,014,500	General Development	\$8,295,638
Solar Equity	\$201,780	Capitalized Reserves	\$628,753
GP Equity	\$100	Overhead	\$1,973,384
EOHLC AHTF & ARPA – 2	\$6,602,923	Fee	\$1,973,384
EOHLC HSF, FCF	\$2,750,000		
Provincetown Local Contribution & CPA	\$3,500,000		
Truro CPA	\$100,000		
Barnstable County HOME & ARPA	\$1,400,000		
Seller Note	\$1,644,900		
Cape Light Compact	\$951,156		
Deferred Developer Fee	\$965,283		
Total Sources	\$43,836,474	Total Uses	\$43,836,474

Underwriting Notes

1. Off-budget Work
2. Early Construction Start
3. Term of Forward Commitment
4. Debt Service Coverage
5. Underwritten Rents
6. Average Income Set-Aside
7. Middle-Income Housing Restriction
8. Real Estate Taxes
9. Resident Services
10. Solar Tax Credit Equity
11. Other Funding Sources
12. Acquisition
13. Third Party Reporting

Official Action Status (OAS) Findings

1. **Mortgagor:** The Community Builders, Inc. (the “Sponsor”) has acceptable multifamily housing development experience and acceptable credit history.
2. **Site Control:** The mortgagor, Sponsor or 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. **Acceptability of Site:** The site is acceptable for the proposed housing.
4. **Need for Proposed Housing:** There is a need for the proposed housing in the community.

Recommended Votes

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

Loan Commitment Proposal | April 9, 2024

Old Colony Phase Six

1. General Project Information	
Project Name	Old Colony Phase Six
Project ID	23-132
Associated Projects	Old Colony Phase One, Two A, Two B, Two C, Three A4, Three A9, Three B4, Three B9, and Three C (completed); Old Colony Phase Four, Phase Five (under construction)
Address(es)	331 East 8 th Street, Boston, MA 02127
Sponsor	Beacon Communities Services LLC
Transaction Type	Production (4%)
Funding Type	Current (Construction/Permanent)
Execution Type	Portfolio (Tax-Exempt)
Credit Enhancement	HUD/FHA Risk-Sharing with 50% credit risk (insured advances)
Approval Type	Board
Total Rental Units	89
Affordability Mix	89 Affordable

2. Recommended Actions

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

The proposed financing will support the final phase of the redevelopment of the Old Colony public housing development (the “Development”). Built in 1940, Old Colony was originally an 845-unit public housing development located on 16 acres in South Boston. In 2009 the project owner, the Boston Housing Authority (the “BHA”), created the Old Colony Master Plan which re-envisioned Old Colony and outlined a long-term strategic vision for the project. Beacon Communities Services LLC (the “Developer / Sponsor”) was selected as the BHA’s development partner and has been involved with the Master Plan since 2009. The Development marks the final phase in the comprehensive redevelopment of the Old Colony Boston Public Housing community. In total, 887 units will have been constructed over the project’s six phases.

3. MassHousing Financing	
First Loan	
Type	Tax-Exempt Construction/Permanent
Loan Amount	Up to \$23,122,000
Interest Rate	30-Year MMD plus 225 basis points (bps) to be locked at Construction Loan Closing (processing rate of 6.20% assumed for underwriting)
Loan Term / Amortization	Construction period plus 40 y / 40 y; interest-only during the 34-month construction period.
Year 1 DSCR	1.23 projected (1.10 minimum)
LTV	89% projected (90% maximum)
Tax-Exempt Construction Equity Bridge Loan	
Type	Tax-Exempt Bridge Loan
Loan Amount	\$20,072,000
Interest Rate	7.41% projected
Loan Term/Amortization	34 mo / interest only
Taxable Construction Equity Bridge Loan	
Type	Taxable Bridge Loan
Loan Amount	\$3,337,000
Interest Rate	8.16% projected
Loan Term/Amortization	34 mo / interest only

4. Development Plan

Description of Site. The Development will be located on the easternmost portion of the Old Colony larger sixteen-acre complex in South Boston (the “Site”). The Site fronts on Mercer Street and is across the street from the Tierney Learning Center, where all Old Colony residents, including those in Phase Six, will have access to health and educational opportunities. The Site is located 0.5 miles from the Andrew Station on the MBTA Red Line.

Description of Existing or Proposed Building. The Site is currently vacant, as demolition of the obsolete structures was completed under previous phases. Proposed work includes the construction of a single five-story elevator building containing 89 dwelling units.

Construction will comply with the City of Boston’s Article 37 Green Building and Climate Resiliency Guidelines and be designed to Passive House Standards. The proposed scope of work includes an approximately 5400 sf community space as well as new pedestrian walkways, site improvements and site infrastructure that will reduce stormwater runoff and improve groundwater infiltration.

Description of Affordability Mix. All 89 units will be subject to income restrictions with set-asides at 30% of Area Median Income (“AMI”) and 60% of AMI.

All 89 units will benefit from one project-based Section 8 housing assistance payment (“HAP”) contract.

Site Control. Site control is evidenced through a ground lease. On November 6, 2013, Beacon Communities Services LLC was selected as the developer by the BHA, the current owner of the property.

5. Borrower Team

Mortgagor Entity: Old Colony 6 Bonds Limited Partnership

Or another sole-asset, single-purpose entity formed for the purpose of constructing and owning Old Colony Phase Six.

Developer / Sponsor: Beacon Communities Services LLC

Developer/Sponsor is a Massachusetts limited liability company, managed by Beacon Communities Corp. The Developer's/Sponsor's majority member is Beacon Communities Development LLC, whose sole member is Beacon Communities LLC. The Borrower's general partner's sole member is Beacon Communities Corp., and the Borrower's special limited partner's sole member is Beacon Communities LLC. Founded in 2006, Developer/Sponsor and its affiliates have a portfolio of approximately 18,000 apartments across 140 communities concentrated in New England and Mid-Atlantic states.

General Partner / Managing Member: Old Colony 6 Bonds GP LLC

The General Partner is controlled by Beacon Communities Corp, its sole member.

Syndicator / Investor: Hudson Housing Capital LLC (Hudson)

Hudson is a Delaware limited liability company formed to directly acquire limited partnership interests in partnerships which own apartment complexes qualifying for low-income housing tax credits. Founded in 1998 as a low-income housing tax credit syndicator, Hudson Housing Capital has syndicated more than \$6.0 billion in tax credit equity since its inception.

Management Company: Beacon Residential Management Limited Partnership

Beacon Residential Management Limited Partnership (Beacon Residential) will serve as the management company. Beacon Residential was formed in 1968 and manages residences throughout New England, Pennsylvania, New York, Maryland, and Virginia. Beacon Residential currently manages 78 HUD subsidized and unsubsidized projects, totaling over 10,700 units.

Architect: The Architectural Team, Inc. (TAT)

TAT is a master planning, architecture and interior design firm established in 1971. The 95+ person firm has earned more than 100 awards for design excellence across a broad range of building types and programs.

General Contractor: Dimeo Construction Company (Dimeo)

Founded in 1930 as a small, family-run contractor, Dimeo has steadily grown to become recognized among the leading construction organizations in New England. Since 1971, Engineering News Record has ranked Dimeo among the Top 100 Construction Managers in the country.

6. Summary of MassHousing-Sponsor Relationship	
Number of Projects with MassHousing Debt	31
Total Units with MassHousing Debt	4,108
Outstanding MassHousing Principal Debt	\$532,710,447
Adverse Actions Against the Borrower Team	No
Current on Obligations with MassHousing	Yes
Property Management Affiliate	Yes, Beacon Residential; manages properties in Developer's / Sponsor's Portfolio and offers management services to properties outside of Sponsor's Portfolio.

MassHousing Staff	
Origination	Kathleen Evans, Originator Amanda Melick, Senior Analyst Jack Griffin, Senior Analyst Teddy Eleevia, Analyst
Underwriting	Douglas O'Brien, Underwriter
Asset Management	Nick Pepe, Senior Portfolio Manager Natalia Gonchar, Senior Asset Manager

7. Unit Mix

Unit Size	Total Units	LIHTC Eligible*				Market Comparison <i>Rent</i>
		PB Section 8 30% AMI		PB Section 8 60% AMI		
		<i>Count</i>	<i>Rent</i>	<i>Count</i>	<i>Rent</i>	
0 BR	44	6	\$2,636	38	\$2,636	\$2,700
1 BR	11	2	\$3,123	9	\$3,123	\$3,200
2 BR	23	2	\$3,769	21	\$3,769	\$3,800
3 BR	7	1	\$4,135	6	\$4,135	\$4,500
4 BR	4	1	\$4,750	3	\$4,750	\$4,800
Total	89	12		77		

*All low-income housing tax credit (“LIHTC”) rents are net of utility allowances.

Project-Based Rental Subsidy	
Type	Section 8
Term	20 y
Administrator	Boston Housing Authority
Lesser of Market or Contract	

8. Operating Overview

Underwritten Operating Expenses	\$1,392,209 (approximately \$15,600 per unit)
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Basis of Operating Costs. Borrower-proposed budget and previous development phases.

9. Project Costs

Core Residential Costs	
Base	\$44,933,374
Extraordinary	\$28,215,841
Total	\$73,152,653
Commercial, Site and Other Non-Residential Costs	
Commercial Costs	\$4,921,532
Site and Other Non-residential Costs	\$6,141,530
Total	\$11,063,062
Total Development Cost	
Total	\$84,215,715

Project Construction Costs	
Total Construction Cost	\$56,733,623
Construction per Square Foot	\$465

Background on Extraordinary Residential Costs. The Development includes significant decarbonization and flood resiliency measures and is subject to numerous design measures required by the Boston Planning and Development Agency (the “BPDA”); all these components add to the construction and construction costs, as well as the general development costs.

Background on Commercial, Site and Other Non-Residential Costs. The Development includes a commercial space that will account for 6.0% of gross building area; the development costs associated with that space are listed as non-residential. Additionally, while demolition and remediation were carried out at the time of prior phases, portions of those costs are carried on this budget; the scope of demolition and remediation was extensive. The budget also includes the Development’s prorate share of expenses related to creation of roadways, landscaping, and other non-residential expenses.

10. Sources and Uses

Sources of Funds	Total
MassHousing C/P Loan	\$23,122,000
Federal LIHTC	\$37,088,061
State LIHTC Loan	\$8,300,000
EOHLC AHTF	\$2,000,000
Solar Tax Credits	\$121,073
45L Energy Start	\$409,277
BHA Moving to Work Funds	\$2,000,000
BHA Moving to Work Funds	\$8,750,000
Deferred Developer Fee	\$2,425,306
Total Sources	\$84,215,717

Core Residential Uses of Funds	Total	
		Per Unit
Acquisition	\$99	\$1
Construction	\$48,020,389	\$539,555
Construction Contingency	\$2,401,019	\$26,978
General Development	\$15,491,340	\$174,060
Capitalized Reserves	\$1,083,469	\$12,174
Overhead	\$3,078,169	\$34,586
Fee	\$3,078,169	\$34,586
Total Residential Uses	\$73,152,653	\$821,940

Base Costs		Extraordinary Costs	
	Per Unit		Per Unit
\$99	\$1		
\$27,793,895	\$312,291	\$20,226,494	\$227,264
\$2,131,132	\$23,945	\$269,887	\$3,032
\$10,817,894	\$121,549	\$4,673,446	\$52,511
\$627,105	\$7,046	\$456,364	\$5,128
\$1,781,624	\$20,018	\$1,296,544	\$14,568
\$1,781,624	\$20,018	\$1,296,544	\$14,568
\$44,933,374	\$504,869	\$28,219,279	\$317,071

Commercial Uses*	\$4,921,532
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Site and Other Nonresidential Uses*	\$6,141,530
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Total Uses	\$84,215,717
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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		\$3,419,628
Gross Potential Residential Income		\$3,419,628
Vacancy – Project-Based Rental Subsidy	3.0%	(\$102,589)
Gross Residential Income		\$3,317,0039
Other Income – laundry		\$6,000
Effective Gross Income		\$3,323,039

Expenses		
Residential Operating Expenses		\$1,392,209
Net Operating Income		\$1,930,830
Debt Service		(\$1,565,504)
Cash Flow		\$365,326

Debt Service Coverage 1.23

Residential Operating Expense Detail			<i>Per Unit</i>
Management Fee	6.0%	\$199,382	\$2,240
Administrative Costs		\$230,038	\$2,585
Maintenance Costs		\$288,500	\$3,242
Resident Services		\$40,000	\$449
Security		\$72,313	\$813
Utilities (water and sewer, hot water)		\$306,971	\$3,449
Replacement Reserves		\$32,040	\$360
Taxes		\$45,919	\$516
Insurance		\$119,241	\$1,340
Mortgage Insurance Premium		\$57,805	\$649
Total		\$1,392,209	\$15,643

Operating Expenses as a Percent of EGI 41.9%

12. Underwriting

- 1. Commercial Income.** The development includes the build out of approximately 5,400 gross square-feet of ground floor commercial space, intended for lease to a community-based arts organization, SPOKE, a long-time South Boston based organization. The lease will be a triple net lease, and have nominal rent. MassHousing did not include any commercial income in its underwriting.
- 2. Operating Reserves.** The Developer/Sponsor has proposed, and this commitment proposal reflects, that the required 6% (\$1,387,320) operating reserve be funded as follows: 4.0% of the permanent loan amount (\$924,880), funded at construction closing, and the remaining 2.0% (or \$462,440) to be satisfied with a guaranty, which is consistent with prior phases of the overall Old Colony redevelopment project.
- 3. Operating Expenses.** Operating expenses are slightly higher at \$15,600 per unit than MassHousing's expense per unit range of \$11,000-15,000. Primary driver of this increase is higher than expected insurance premiums. While expenses are high, the Development underwriting projects a Year-One 1 DSCR of 1.23 that trends upwards over twenty years.
- 4. Real Estate Taxes.** The Development 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 closing.
- 5. Ground Lease.** The Boston Housing Authority (through an affiliate) will transfer site control via a ground lease to Old Colony Revitalization Corporation (OCRC). Consistent with prior phases, at closing, OCRC will enter into a long-term ground lease with the Mortgagor. The terms of the proposed lease with BHA, 99-year lease at \$1 annual payment, are subject to MassHousing's review and approval.
- 6. Senior Units.** Of the 89 units, 43 units will be specifically designated for seniors at or over age 62. This designation of senior units is responsive to a need identified by the City of Boston and the BHA, and the determination that the Old Colony campus – which includes programming and services for seniors – was an appropriate site to include senior including 43 units designated for seniors. Eligibility and the waiting list for these units will be determined by the BHA as the contract administrator for the Section 8 HAP contract.
- 7. Third Party Reports.** The MassHousing third-party appraisal and market study is currently underway. To the extent that the appraisal and market study changes underwritten rents and/or loan-to-value, the loan amount will be adjusted accordingly.

Underwriting Criteria and Loan Terms	Old Colony Phase Six	Underwriting Standards
1. DSCR	1.23	Minimum of 1.10
2. Term/Amortization	40 y / 40 y	30-40 y, fully-amortizing
3. Loan to Value	89%	Maximum of 90% based on third party "as-proposed" investment value
4. Underwriting Rents	PB – Rental Subsidy contract	<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	3%	<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	\$360 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 \$15,600 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.

Old Colony Phase Six VOTES AND FINDINGS

PROPOSALS AND VOTES

Official Action Status

Staff has reviewed the development experience and credit-worthiness of the mortgagor and developer and found them to be acceptable. Staff has also determined that the mortgagor 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. 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 “Old Colony Phase 6” (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 \$53,993,000 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) construction/permanent financing, bridge financing and (ii) the use of Low-Income-Housing-Tax-Credits and proposes the following votes for approval:

First & Bridge Mortgage Loans

VOTED: To approve the findings and determinations set forth below and to authorize (a) a construction/permanent first mortgage loan in a principal amount of up to \$23,122,000, 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 \$23,409,000 in each case to be made to Old Colony 6 Bonds Limited Partnership or another single-purpose entity controlled by Developer/Sponsor (the “Borrower”) as owner of the multifamily residential development known as “Old Colony Phase Six” (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 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 “Old Colony Phase Six” (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 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.

VOTED: To authorize the Chief Executive 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 or the Vice President of Multifamily Programs, and (2) such subordinate mortgage loans shall be subject to MassHousing's requirements pertaining to subordinate mortgages, in a manner acceptable to MassHousing's General Counsel or his designee.

STATUTORY FINDINGS AND DETERMINATIONS

Statutory Findings:

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

1. The affordability of rents for 20% of the units:

89 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 February 14, 2024. 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 903 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 96.8%, and range between 92% and 100%. None of the five comparables reviewed was offering rental concessions.

1st Qtr. 2024 CoStar data for the subject's South Boston/Seaport Multi-Family Submarket (6,759 units) has an overall vacancy rate at 6.3% YTD, which is an increase of .98% from one year ago. CoStar data for the Boston market (272, 724 units) has an overall vacancy rate of 5.6% YTD, which is an increase of .43 % from one year ago. The South Boston/Seaport Multi-Family Submarket vacancy rate is projected to decrease to 4.7% over the next five years, while the Boston market is projected to decrease to 5.2%.

CoStar, submarket data for the 4-5 Star building type (5082 units) indicates a 1st Qtr. 2024 vacancy rate of 7.3% and an average asking rent of \$4,275, while submarket data for the subject's 3 Star building type (947 units) indicates a 1st Qtr. 2024 vacancy rate of 3.3 % at an average asking rent of \$2,975 and 1-2 Star buildings (730 units) indicates a 1st Qtr. 2024 vacancy rate of 3.5% at an average asking rent of \$1,925. 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 Executive Office of Housing and Livable Communities (EOHLC) 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.

As of January 2022, The 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 (FY2020) indicated that the BHA

maintains the following wait lists: There are 15,140 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 this time. The BHA also maintains a Public Housing Wait list with 41,038 applicants.

U.S. Census data from the 2017-2022 American Community Survey (ACS) indicates that of the 276,053 households in the City of Boston approximately 77.3% earned less than the HUD published 2023 AMI, approximately 43.8% earned less than 50% of 2023 AMI, approximately 50.4 % earned less than 60% of the 2023 AMI, and approximately 63.5 % 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), continues 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:

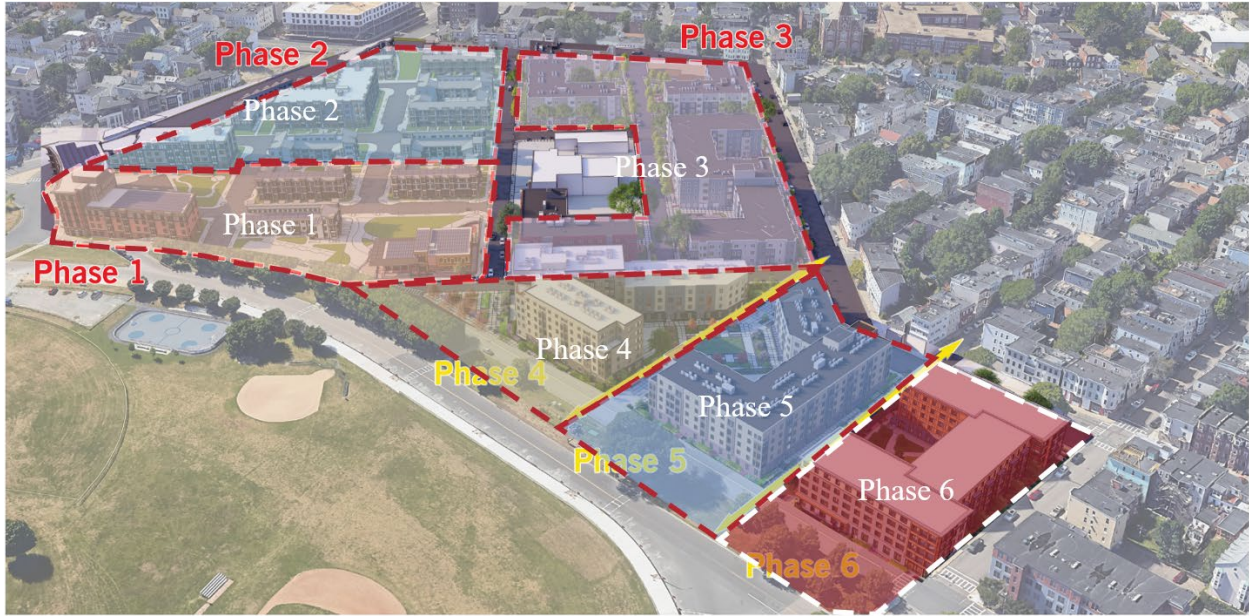
Rent Schedule:

	1	2	3	4	5
Number of Bedrooms	1	2	3	4	5
Number of Units	44	11	23X	7X	4
Net SF/Unit	613	896	1139	1444	1634
Elev./Non-Elev.	Elev	Elev	Elev	Elev	Elev
Market Rate Rent (10% Rate 20-Year Term)	\$3,677	\$4,164	\$4,810	\$5,176	\$5,791
MHFA Below Market Rent (Cost-Based Rent)	\$2,636	\$3,123	\$3,769	\$4,135	\$4,750
MHFA Adjusted Rent	30% of Income				
Underwriting Rents					
30% AMI PB Section 8	\$2,636	\$3,123	\$3,769	\$4,135	\$4,750
60% AMI PB Section 8	\$2,363	\$3,123	\$3,769	\$4,135	\$4,750

*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





Loan Commitment Proposal | April 9, 2024

Old Colony Phase Six

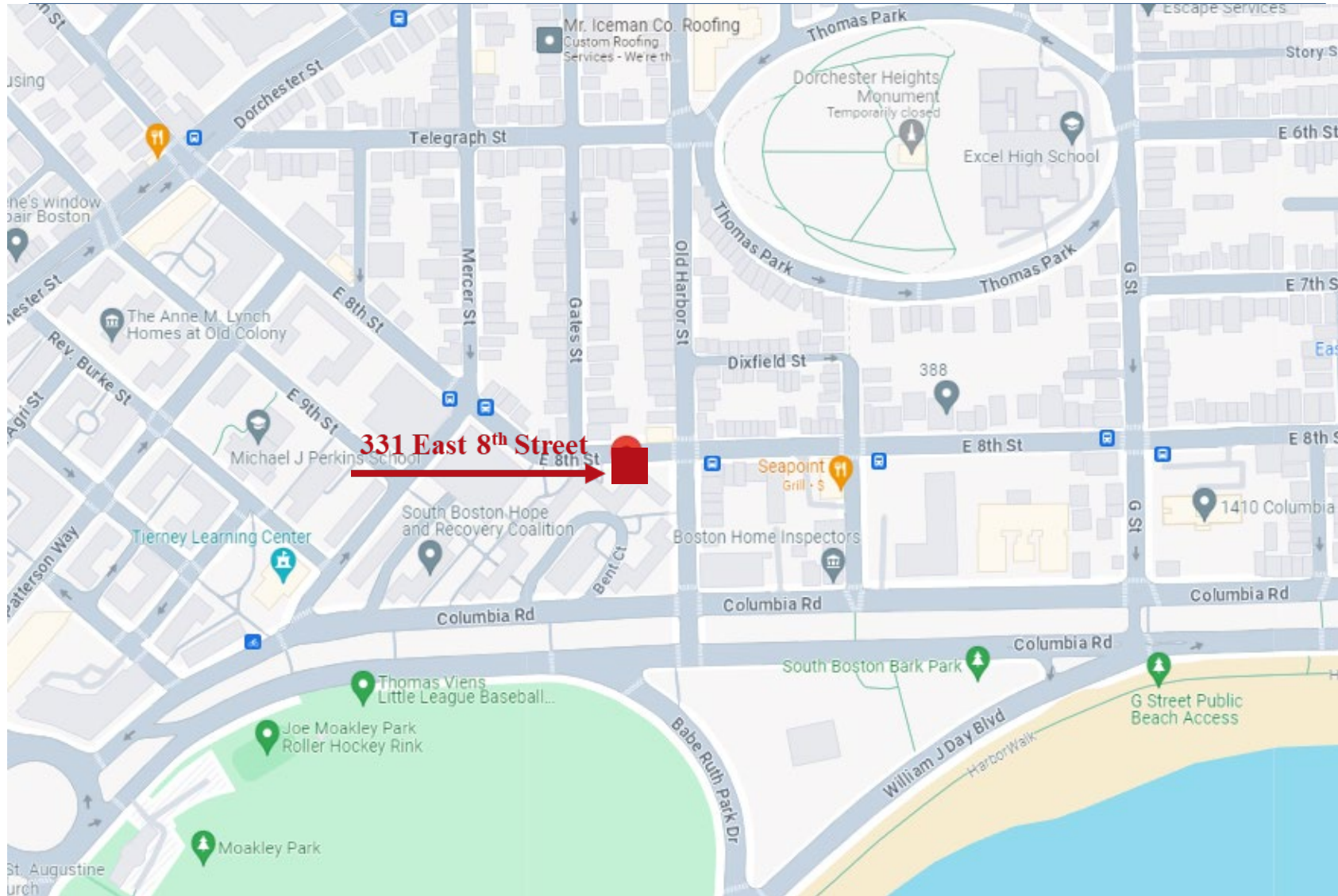


Location	331 East 8th Street, Boston, MA 02127
Sponsor	Beacon Communities Services LLC
Transaction Type	Production (4%)
Funding Type	Current (Construction/Permanent)
Execution Type	Portfolio (Tax-Exempt)
Credit Enhancement	HUD/FHA Risk-Sharing with 50% Credit Risk (insured advances)
Total Rental Units	89
Affordability Mix	89 Affordable

Deal Team Members

Origination	Kathleen Evans, Amanda Melick, Jack Griffin, Teddy Eleevia
Underwriting	Douglas O'Brien
Asset Management	Nick Pepe, Natalia Gonchar

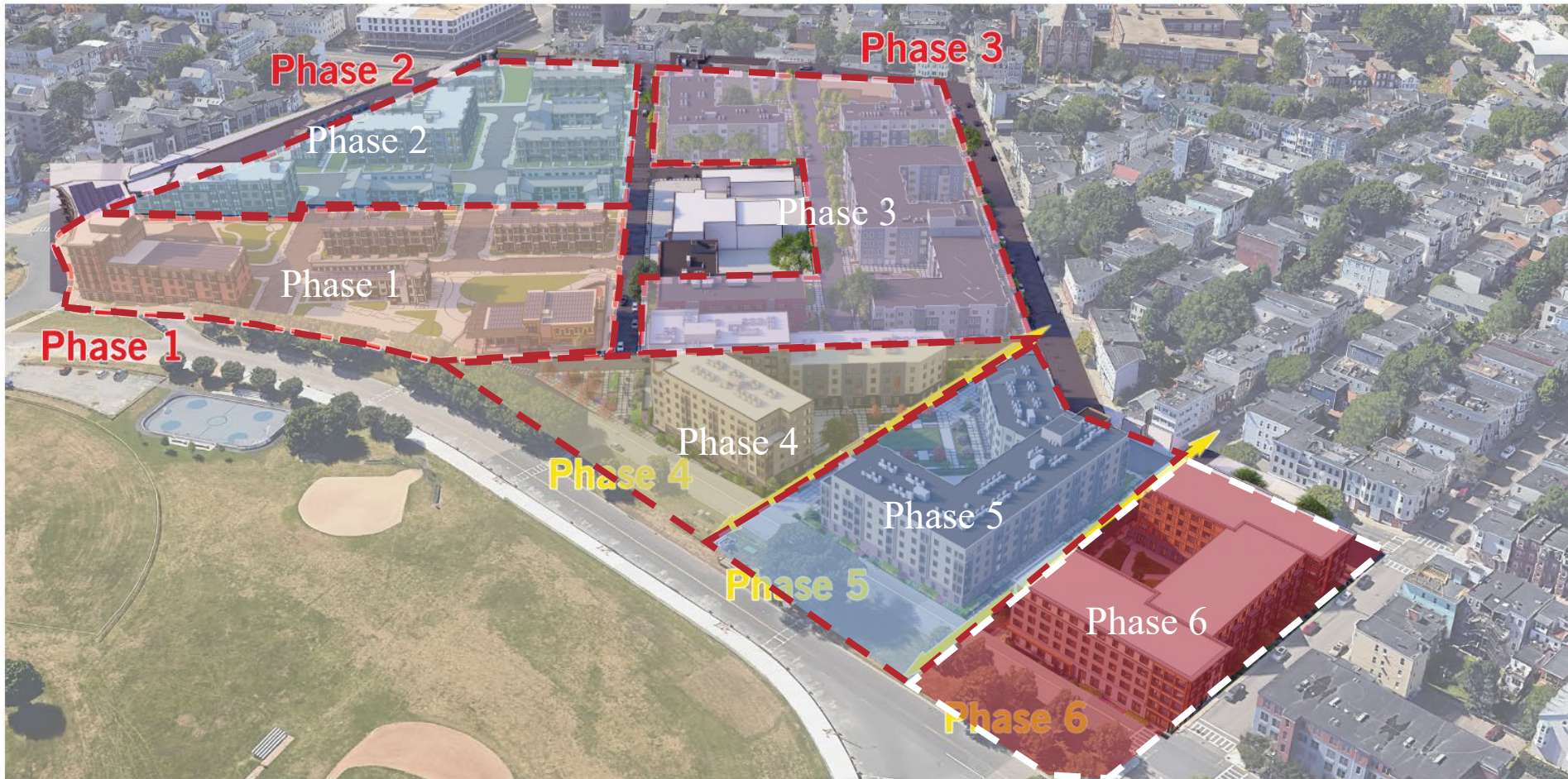
Old Colony Phase Six | South Boston



Development Overview

Phase	<u>Phase 1</u>	<u>Phase 2</u>	<u>Phase 3</u>	<u>Phase 4</u>	<u>Phase 5</u>	<u>Phase 6</u>	<u>Total</u>
Site Area (Acres)	4.18	4.65	5.66	2.27	2.41	1.20	20.37
Number of Buildings	5	8	5	1	1	1	21
Units							
1BR	40	59	132	27	27	44	329
2BR	45	63	127	38	38	11	322
3BR	29	40	42	29	29	23	192
4BR	2	6	4	10	10	7	39
5BR	-	1	-	-	-	4	5
TOTAL	116	169	305	104	104	89	887
Volume Cap	26,700,000	33,485,000	\$13,430,000	\$44,036,000	\$40,618,000	\$43,194,000	\$201,463,000
Permanent Loan	26,700,000	33,485,000	\$7,220,000	\$27,430,000	\$25,991,000	\$23,122,000	\$143,948,000

Development Overview



Borrower Team

Mortgagor Entity	Old Colony 6 Bonds Limited Partnership
Developer / Sponsor	Beacon Communities Services LLC
General Partner / Managing Member	Old Colony 6 Bonds GP LLC
Syndicator / Investor	Hudson Housing Capital LLC
Management Company	Beacon Residential Management Limited Partnership
Architect	The Architectural Team, Inc.
General Contractor	Dimeo Construction Company

Unit Mix

Unit Size	Total Units	LIHTC Eligible*				Market Comparison
		PB Section 8 30% AMI		PB Section 8 60% AMI		
		<i>Count</i>	<i>Rent</i>	<i>Count</i>	<i>Rent</i>	
0 BR	44	6	\$2,636	38	\$2,636	\$2,700
1 BR	11	2	3,123	9	3,123	\$3,200
2 BR	23	2	3,769	21	3,769	\$3,800
3 BR	7	1	4,135	6	4,135	\$4,500
4 BR	4	1	4,750	3	4,750	\$4,800
Total	89	12		77		

* *All rents are net of utility allowances.*

** *Underwritten to the lesser market supported rents.*

Project Costs

Core Residential Costs	
Base	\$44,933,374
Extraordinary	\$28,215,841
Total	\$73,152,653
Commercial and Non-Residential Costs	
Commercial Costs	\$4,921,532
Site and Other Non-Residential Costs	\$6,141,530
Total	\$11,063,062
Total Development Cost	
Total	\$84,215,715

Project Construction Costs	
Total Construction Cost	\$56,733,623
Construction per Square Foot	\$465

Sources and Uses

Sources of Funds		Uses of Funds	
MassHousing C/P Loan	\$23,122,000	Acquisition	\$99
Federal LIHTC	\$37,088,061	Construction	\$56,733,623
State LIHTC Loan	\$8,300,000	Construction Contingency	\$2,836,681
EOHLC AHTF	\$2,000,000	General Development	\$16,452,838
Solar Tax Credits	\$121,073	Capitalized Reserves	\$1,150,716
45L Energy Start	\$409,277	Overhead	\$3,520,879
BHA ARPA From State	\$2,000,000	Fee	\$3,520,879
BHA Moving to Work Funds	\$8,750,000		
Deferred Developer Fee	\$2,425,306		
Total Sources	\$84,215,715	Total Uses	\$84,215,715

Underwriting Notes

1. Commercial Income
2. Operating Reserve
3. Operating Expenses
4. Real Estate Taxes
5. Ground Lease
6. Senior Units
7. Third Party Reports

Official Action Status (OAS) Findings

1. **Mortgagor:** Beacon Communities Services LLC (the “Sponsor”) has acceptable multifamily housing development experience and acceptable credit history.
2. **Site Control:** The mortgagor, Sponsor or 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. **Acceptability of Site:** The site is acceptable for the proposed housing.
4. **Need for Proposed Housing:** There is a need for the proposed housing in the community.

Recommended Votes

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

Delinquency Summary Report



Mar 31, 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	\$12,136,509	0	\$0	0.00%	0.00%
	Mixed Income	29	\$428,117,502	0	\$0	0.00%	0.00%
	Options for Independence	17	\$567,561	0	\$0	0.00%	0.00%
	RDAL Only	1	\$18,908,971	0	\$0	0.00%	0.00%
Other - Total		50	\$459,730,543	0	\$0	0.00%	0.00%
Section 8	Loan Mgmt Set Aside	27	\$777,327,393	1	\$31,662,283	4.07%	3.70%
	New Construction	84	\$1,398,892,747	0	\$0	0.00%	0.00%
	Sec 8 Project-Based	6	\$145,696,730	0	\$0	0.00%	0.00%
	Substantial Rehab	65	\$911,974,572	0	\$0	0.00%	0.00%
Section 8 - Total		182	\$3,233,891,442	1	\$31,662,283	0.98%	0.55%
SHARP - RDAL	SHARP and RDAL	2	\$35,625,928	0	\$0	0.00%	0.00%
	SHARP Only	3	\$24,410,396	1	\$5,221,486	21.39%	33.33%
SHARP - RDAL - Total		5	\$60,036,324	1	\$5,221,486	8.70%	20.00%
Mixed Financing	4% Credits	60	\$583,182,541	1	\$33,825,580	5.80%	1.67%
	9% Credits	55	\$186,225,693	0	\$0	0.00%	0.00%
	Internally Subsidized	17	\$319,335,427	0	\$0	0.00%	0.00%
	Miscellaneous	50	\$556,278,537	0	\$0	0.00%	0.00%
	Other Soft Debt	1	\$757,395	0	\$0	0.00%	0.00%
Mixed Financing - Total		183	\$1,645,779,592	1	\$33,825,580	2.06%	0.55%
Overall - Total		420	\$5,399,437,902	3	\$70,709,349	1.31%	0.71%

Delinquency Detail

Mar 31, 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	\$17,442,069	15

Section 8 Loan Mgmt Set Aside

Principal Program Code	Project Id - Development Name	City/Town	Total Rental Units	Project Outstanding Loan Amount	Total Due & Uncollected	Past Due Installments
S8LMSA	16-012 BANCROFT DIXWELL APTS	Boston - Roxbury	78	\$31,662,283	\$68,572	1

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	\$5,221,486	\$290,761	9
Overall - Total			314	\$70,709,349	\$17,801,403	

Comments Detail



Mar 31, 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	Aug 1, 2024
Total		Number of Devs: 1			\$11,825,874.99		