

Minutes of the
Loan Committee of MassHousing
Held on
February 7, 2017

The regular meeting of the Loan Committee was held at 2:00 p.m. on Tuesday, February 7, 2017 at MassHousing's offices at One Beacon Street in Boston, Massachusetts

In attendance were:

Members: Rebecca Frawley Wachtel
 Lisa Serafin

Staff: Matthew Deych
 David Keene
 Bill Dunn
 Kathleen Evans
 Sarah Hall
 Dan Staring
 Mike Carthas
 Henry Mukasa
 Antonio Torres
 Deb Morse
 Cynthia Lacasse
 Beth Elliott
 Sergio Ferreira
 Jill Lavacchia
 John McCormack
 Kelly Johnson
 LaVergne Randolph
 Margo O'Connell
 Carol McIver
 Doug O'Brien
 Meaghan McCarthy
 Bob McCuish
 Susan Lynch
 Max Ward
 Danielle McCarthy
 Kelly Condon
 Tina Keophannga
 Daniel Barbanell
 Casey Baines
 Mildred Mukasa
 Katrina Holman
 Mike Kilgannon

Members Not in
Attendance:

Rachel Carlson (designee of Chrystal Kornegay)

The meeting began at 2:00 pm.

1. Summary of the January 3, 2017 Loan Committee Meeting

The summary of the January 3, 2017 Loan Committee meeting was presented to the Loan Committee Panel. The members approved the summary.

2. Proposed Approval of Official Action Status; Commitment of Tax-Exempt Construction/Permanent Loan; Equity Bridge Loan; and Subordinate Opportunity Fund Loan in Worcester, presented by William Dunn:

An affiliate of Beacon Communities Services LLC (“Developer”) is seeking financing for the acquisition, rehabilitation and preservation of Stratton Hill Park (“Development”) in Worcester. The Developer will be purchasing the Development from the current owner (an affiliate of John M. Corcoran Company, “Owner”) as part of a 40T preservation transaction. Constructed in 1974, the Development consists of two mid-rise buildings and two townhouse-style buildings providing 156 units of rental housing. The Developer is seeking a tax-exempt construction/permanent loan, tax-exempt bridge loan and a subordinate Opportunity Fund loan from MassHousing. This transaction includes the use of 4% LIHTC, State LIHTC, and other soft debt. The permanent loan will be insured at the 50/50 level of the HUD Risk Sharing program.

The Proposed Approval of Official Action Status; Commitment of Tax-Exempt Construction/Permanent Loan; Equity Bridge Loan; and Subordinate Opportunity Fund Loan were recommended for presentation to the Board at the February 14, 2017 meeting.

3. Proposed Approval of Official Action Status; Commitment of Tax-Exempt Permanent loan; Commitment of Tax-Exempt Equity Bridge Loan; and Commitment of Workforce Housing Loan in Lawrence, presented by Michael Carthas:

Pac 10 Lofts (“Development”) is an adaptive reuse of a historic mill building which will provide 170 new affordable units and 10 market units in downtown Lawrence. Reed Realty Advisors LLC (“Developer”) is seeking permanent financing for the mixed-income development. The proposal presents a transaction that includes 4% LIHTC, a MassHousing permanent loan insured under the HUD/HFA Risk-Sharing Program, a tax-exempt equity bridge loan and a Workforce Housing subordinate loan. US Bank Corporation will be the construction lender in this transaction.

Proposed Approval of Official Action Status; Commitment of Tax-Exempt Permanent loan; Commitment of Tax-Exempt Equity Bridge Loan; and Commitment of Workforce Housing Loan were recommended for presentation to the Board at the February 14, 2017 meeting.

4. Proposed Approval of Commitment of Taxable Permanent Loan and Commitment of Workforce Housing Loan in Bourne, presented by Sarah Hall:

Canal Bluffs III (“Development”) will be a newly constructed 44-unit development located in Bourne; it is the third and final phase of a mixed-income community originally granted a Comprehensive Permit in 2006. An affiliate of Preservation of Affordable Housing (POAH) (“Developer”), in partnership with Housing Assistance Corporation (HAC), is seeking

permanent financing upon completion of construction for this mixed-income development that will include a very low- and low-income along with middle-income/workforce units. The proposal presents a transaction that includes 9% LIHTC, a MassHousing permanent loan insured under the HUD/HFA FFB Risk-Sharing Program and a Workforce Housing subordinate loan.

The Proposed Approval of Taxable Permanent Loan and Commitment of Workforce Housing Loan were recommended for presentation to the Board at the February 14, 2017 meeting.

5. Proposed Approval of Prepayment of Existing MassHousing Loan and Commitment of Taxable Permanent First Mortgage Loan in Boston, presented by Antonio Torres:

Saint Botolph Street Apartments (“Development”) is a 135-unit mixed-income family development in Boston’s Landmark Commission St. Botolph Architectural Conservation District. The Development is comprised of two walk-up buildings and one elevator building. It houses 92 Section 8 Project Based units and 43 market rate units. Schochet Associates (“Developer”) is seeking to refinance the development, lower the interest rate and provide an equity take-out. The property is in good condition and minor repairs are anticipated.

The Proposed Approval of Prepayment of Existing MassHousing Loan and Commitment of Taxable Permanent First Mortgage Loan were recommended for presentation to the Board at the February 14, 2017 meeting.

6. Proposed Approval of Subordinate Opportunity Loan Fund in Beverly, presented by Deb Morse:

The Borrower seeks an allocation of up to \$1.6 million in Opportunity Funds and up to \$600,000 of Helping to House New England FHLB Funds for the construction of 67 units in a new 6-story residential building (with ground floor retail) on a vacant MBTA-owned parcel, adjacent to the Beverly Depot MBTA station and garage. Fourteen of the 16 Workforce Housing Units will be restricted to households earning at or below 80% of Area Median Income and two will be restricted to households earning at or below 110% of Area Median Income.

The Proposed Approval of Subordinate Opportunity Loan Fund was recommended for presentation to the Board at the February 14, 2017 meeting.

7. Proposed Approval of Subordinate Opportunity Fund Loan in Franklin, presented by David Keene:

An affiliate of Schochet Associates, Inc. (“Developer”) is seeking financing for the acquisition and preservation of Glen Meadow Apartments (“Development”) in Franklin. The Developer will be purchasing the Development from the current owner (an affiliate of Equity Residential) as part of a 40T preservation transaction. Constructed in 1971 with financing through the HUD Section 236 program, the Development consists of eight two-story garden building clusters providing 287 units of rental housing. Through a joint-venture partnership with MassHousing, CBRE Capital Markets, Inc. (“CBRE”) through its Fannie Mae DUS has arranged the first mortgage financing for the Development. MassHousing will provide subordinate financing through the Opportunity Fund’s Workforce Housing Program.

The Proposed Approval of Subordinate Opportunity Loan Fund was recommended for presentation to the Board at the February 14, 2017 meeting.

8. Proposed Approval of Commitment of Taxable Subordinate Asset Protection Loan, Extension of Existing Asset Protection Loan in Springfield, presented by David Keene:

Related Springfield Associates, Limited Partnership, a partnership controlled by Related Affordable / Related Beal (“Related”) is seeking a \$2,526,861 asset protection loan in order to immediately address capital needs at Chestnut Park Apartments related to the development’s structured parking garage, elevators and other imminent repair needs. The funding of the loan will closely parallel Related’s consolidation of the general partnership interest and the installation of its own property management company.

The Proposed Approval of Commitment of Taxable Subordinate Asset Protection Loan, Extension of Existing Asset Protection Loan was recommended for presentation to the Board at the February 14, 2017 meeting.

9. Proposed Approval of Loan Continuation – Asset Protection and Arrearage Notes, and 13A Repair Grant for Gardner Apartments, Thane Street Apartments, Lawrenceville and Infill II in Boston (Roxbury & Dorchester), presented by Kathleen Evans:

Expected future financing will allow the JPNDC to complete an acutely-needed rehabilitation of the properties with per unit hard costs likely to exceed \$100,000; the transaction will also consolidate the six properties under one financing structure and transfer ongoing property management to Peabody Properties, Inc.

The Proposed Approval of Loan Continuation – Asset Protection and Arrearage Notes, and 13A Repair Grant for Gardner Apartments, Thane Street Apartments, Lawrenceville and Infill II were recommended for presentation to the Board at the February 14, 2017 meeting.

10. Proposed Approval of Level One Transfer of Ownership in Leominster, presented by Henry Mukasa:

Whitney Carriage Associates Limited Partnership (the “Borrower”), requests MassHousing’s approval of a Level One Transfer of Ownership. Under the proposed transfer, the general partner, Trafalgar Capital Associates Inc., will be replaced by Whitney Carriage Management, LLC (the “New General Partner”).

The Proposed Approval of Transfer of Ownership was recommended for presentation to the Board at the February 14, 2017 Meeting.

11. Proposed Approval of Delegation of Authority to Approve Level One Transfers of Ownership and Change Transfer Fees, presented by Henry Mukasa:

MassHousing staff is requesting that Agency Board Members delegate to the Director of Rental Management the authority to approve Level One Transfers of Ownership and to change the fees required in connection with transfers.


The Proposed Approval of Delegation of Authority to Approval Level One Transfers of Ownership and Change to Transfer fee were recommended for presentation to the Board at the February 14, 2017 meeting.

The meeting concluded at approximately 3:00 pm.

A true record.

Attest:



Beth M. Elliott, Secretary

Francis P. Creedon, Assistant Secretary