

Minutes of the
Loan Committee of MassHousing
Held on
June 6, 2017

The regular meeting of the Loan Committee was held at 2:00 p.m. on Tuesday, June 6, 2017 at MassHousing's offices at One Beacon Street in Boston, Massachusetts

In attendance were:

Members: Rebecca Frawley Wachtel
Lisa Serafin
Carolina Avellaneda

Staff: Matthew Deych
Tim Sullivan
Cynthia Lacasse
Antonio Torres
Kathleen Evans
Beth Elliott
Sarah Hall
Henry Mukasa
Daniel Staring
David Keene
Karen Kelleher
Tom Farmer
Deb Morse
Zan Bross
Doug O'Brien
Kelly Johnson
Rachel Carlson
Mildred Mukasa
Peter Cooper
Hana Migliorato
Paul McMorrow
Katrina Holman
Jill Lavacchia
Carol McIver
Kaitlyn Mulcahy
Bill Dunn
Sergio A. Ferreira
Meaghan McCarthy
LaVergne Randolph
Chris Burns
Susan Lynch

The meeting began at 2:00 pm.

1. Summary of the May 2, 2017 Loan Committee Meeting

The summary of the May 2, 2017 Loan Committee meeting was presented to the Loan Committee Panel. The members approved the summary.

2. Chelsea Village, Chelsea – Proposed Approval of Prepayment of Existing MassHousing Loan and Commitment of Taxable Permanent Loan presented by Sarah Hall:

Chelsea Village is an existing development located in Chelsea. An affiliate of the Estate of Edward A. Fish is seeking approval to prepay its existing mortgage loan in order to refinance this Section 8 development that includes 160 units covered by a Section 8 HAP contract and one non-revenue unit reserved for an employee of the management agent. MassHousing has underwritten the new mortgage loan and will apply to HUD for FHA mortgage insurance under Section 223(f) of the National Housing Act. The anticipated amount of the new mortgage loan is approximately \$25,840,000. MassHousing's credit risk exposure for loans insured by FHA under this program will be approximately one percent (1%) of the loan amount. MassHousing will issue a Ginnie Mae Mortgage Backed Security to fund the new mortgage loan.

3. Oxford Place, Boston (Chinatown) – Proposed Approval of Prepayment of Existing MassHousing Loan and Commitment of Taxable Permanent First Mortgage Loan presented by David Keene:

Substantially rehabilitated in 1983, Oxford Place is a 39-unit apartment community, with one six-story building. All of the units are Section 8 units for families, and the development includes two fully-handicapped accessible units. The site is well maintained and has had extensive improvements over the last year, including building envelope repair and replacement. The owner is seeking a new \$7,750,000 first mortgage loan, which is anticipated to be insured under the HUD-HFA Risk Sharing Program. Due to HUD's prior involvement with this development, an existing obligation to HUD must be satisfied in order for this transaction to close.

4. E. Henry Twiggs Estates II, Springfield – Proposed Approval of Official Action Status and Commitment for Tax-Exempt Conduit Loan (Short-Term) presented by Daniel Staring:

BH EHT2, LLC seeks an allocation of up to \$10.8 million in tax-exempt loan proceeds for Phase II of the comprehensive redevelopment of E. Henry Twiggs Estates, a scattered site property in Springfield. Phase I of the redevelopment closed in December 2016 and is now under construction. MassHousing's role in this transaction will be to act as the nominal lender under a conduit loan structure. The conduit loan will be made via TD Bank, N.A., who will assume construction loan risks.

5. Lawrenceville Apartments/Infill I/Infill II, Boston (Roxbury)– Proposed Approval of Third-Party Subordinate Predevelopment Loan presented by Kathleen Evans:

The owner of these developments, Lorenzovest Holdings LLC, is incurring substantial transaction-related predevelopment costs in anticipation of future financing. As such, the owner has requested MassHousing's approval of a new subordinate mortgage loan from JPNDC to fund predevelopment costs of an amount up to \$2,000,000. (No portion of the predevelopment expenses associated with the other developments in the Lorenzo Pitts portfolio will be funded by this predevelopment loan.) The balance of principal outstanding from time to time will not bear interest, and the anticipated preservation refinancing contemplates the repayment of this loan. MassHousing's consent to this loan represents minimal risk to MassHousing's loans on the property because the proposed loan will be subject to MassHousing's standard subordinate mortgage requirements.

6. Pine Grove Village, Lexington – Proposed Approval of Third Party Subordinate Predevelopment Loan presented by Kathleen Evans:

The owner, Pine Grove Village Coop Corp., in incurring substantial costs as it works to structure a full preservation refinancing. As such, the owner has requested MassHousing's authorization for a new subordinate mortgage loan from CEDAC to fund predevelopment costs in an amount up to \$160,000. The anticipated financing contemplates the repayment of this loan. MassHousing's consent to this loan represents minimal risk to MassHousing's first mortgage on the property, with a current balance of \$92,111, because the proposed loan will be subject to MassHousing's standard subordinate mortgage requirements.

7. Wollaston Manor, Quincy – Proposed Approval of MAP/Ginnie Mae Joint Venture Lending Initiative presented by Sarah Hall:

The borrower requests approval to prepay its existing mortgage loan in order to refinance with MassHousing under the MAP/Ginnie Mae Joint Venture Lending Initiative. The borrower is working directly with Rockport Mortgage to underwrite a new HUD-insured mortgage loan, which will be assigned to MassHousing at closing. MassHousing's credit risk exposure for loans insured by FHA under this program will be approximately one percent (1%) of the loan amount. MassHousing will issue a Ginnie Mae Mortgage Backed Security to fund the new mortgage loan.

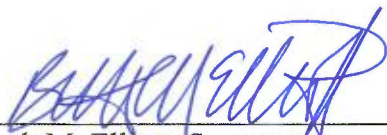
8. Highland Glen, Westwood – Proposed Approval of Subordinate Mortgage presented by Antonio Torres:

MassHousing approved a tax-exempt construction loan up to \$37,000,000 for the refinancing of Highland Glen on April 11, 2017. Subsequently, a term sheet was signed between the Sponsor and the Massachusetts Housing Equity Fund (MHEF) with Citizens Bank as the tax credit investor. An affiliate of the investor will provide a bridge loan secured by a pledge of the equity contributions. The sponsor plans to use the subordinate loan funds to defer the tax-equity payment and secure a higher per low-income housing tax credit. During discussion, it was determined that, as the bridge loan would not be secured by a lien on the property, further Board action was not required.

The meeting concluded at approximately 3:00 pm.

A true record.

Attest:



Beth M. Elliott, Secretary