

Minutes of the
Loan Committee of MassHousing
Held on
August 1, 2017

The regular meeting of the Loan Committee was held at 2:00 p.m. on Tuesday, August 1, 2017 at MassHousing's offices at One Beacon Street in Boston, Massachusetts.

In attendance were:

Members: Lisa Serafin
Carrie Knudson

Member
Not Present: Caroline Avellaneda

Staff: Matthew Deych
Beth Elliott
Cynthia Lacasse
Deb Morse
Meaghan McCarthy
Kathleen McCarthy
Karen Kelleher
Sergio A. Ferreira
Henry Mukasa
Zan Bross
David Keene
John W. McCormack
Kelly Johnson
Doug O'Brien
Hanna Schutt
John Collins
Kaitlyn Mulcahy
Jill Lavacchia
Susan Lynch
Josiah Madar
Mildred Mukasa
Peter Cooper
Mary Gonsalves
Bill Dunn
Tim Sullivan

The meeting began at 2:00 pm.

1. Highland Village, Ware – Commitment of Taxable Permanent Loan presented by Deborah Morse:

Highland Village is a 110-unit apartment community located in Ware. In September 2014, MassHousing approved a bridge loan and Interest Reduction Payment loan that allowed the owner to decouple and prepay its original Section 236 financing and participate in the HUD Rental Assistance Demonstration program. Under the RAD program, the owner secured a Section 8 Project Based Voucher Housing Assistance Payment contract for all 110 units with a 15-year term. The Development is now positioned to move forward with a request for a permanent taxable loan of up to \$8,502,000 financed under the HUD/FFB Risk Sharing Initiative.

2. Bowdoin Apartments, Malden – Commitment of Taxable Permanent Loan presented by Meaghan McCarthy:

Lisbon Street Limited Partnership, a Massachusetts limited partnership, requests approval to prepay its existing mortgage loan(s) in order to refinance with MassHousing under the MAP/Ginnie Mae Multifamily Joint Venture Lending Initiative with Rockport Mortgage as the MAP Lender Partner. Rockport Mortgage will work directly with the borrower to underwrite the new mortgage loan of up to \$49,239,300 and apply to the local HUD office for FHA mortgage insurance under Section 223 (f) of the National Housing Act. MassHousing's credit risk exposure for loans insured by FHA under this program will be approximately one percent (1%) of the loan amount. After Board approval, MassHousing will enter into an agreement with Rockport Mortgage to accept the assignment of the HUD Firm Commitment at loan closing, and MassHousing will at closing make the FHA-insured loan to the Borrower. MassHousing will issue a Ginnie Mae Mortgage Backed Security ("MBS") to fund this loan.

3. 246-248 Norwell Street, Dorchester – Commitment of Participation Investment in Third-Party Permanent Loan, Commitment of Subordinate WorkForce Housing Opportunity Fund Loan presented by Deborah Morse:

T Lee Development LLC seeks subordinate financing of up to \$600,000 from MassHousing under the Opportunity Funds Workforce Housing program for the construction of a new residential rental development with six (6) two-bedroom units in the Codman Square – East Codman Hill neighborhood of Dorchester, to be built on a vacant parcel owned by the Borrower. All six (6) units will be Workforce Housing Units and will be restricted to households earning at least 61% and no more than 70% of Area Median Income. The Borrower has executed a term sheet from Eastern Bank for a senior construction and permanent loan of approximately \$795,000 and a bridge loan of approximately \$540,000. Staff propose that MassHousing invest in the Eastern Bank loan by acquiring a participation interest in the senior permanent loan, which is consistent with the intent of the Workforce Housing program requirement that the first mortgage loan be made by MassHousing or one of its lending partners. The Workforce Housing loan and MassHousing's participation

investment will close simultaneously after completion of construction of the development and its achievement of stabilized occupancy.

4. Pine Grove Village, Lexington – Commitment of 13A Opportunity Fund Grant, Approval of Prepayment of Section 13A Mortgage presented by Kathleen Evans:

Pine Grove Village is a 16-unit townhouse community in Lexington originally financed with a Section 13A mortgage which will mature on March 1, 2019. The Development currently operates as a cooperative, with rental and homeownership units. The Pine Grove Village Cooperative Corporation has requested that the Agency make a grant of up to \$683,380 to the Lexington Housing Authority from Opportunity Funds, which are designated for 13A projects in connection with its proposal to: (i) prepay the existing 13A mortgage, (ii) convert the Development to a condominium structure, (iii) transfer ownership and management of five project-based MRVP rental units to LHA; (iv) rehabilitate the rental units and common areas and (v) preserve the long-term affordability at the Development for both the low and moderate income units.

The meeting concluded at approximately 3:00 pm.

A true record.

Attest:



Beth M. Elliott, Secretary

Materials:

- Proposed Agenda
- Draft Meeting Summary for July 5, 2017
- Proposed Loan Commitments for Highland Village, Bowdoin Apartments, 246-248 Norwell Street and Pine Grove Village