

Minutes of the  
Loan Committee of MassHousing  
Held on  
December 5, 2017

The regular meeting of the Loan Committee was held at 2:00 p.m. on Tuesday, December 5, 2017 at MassHousing's offices at One Beacon Street in Boston, Massachusetts.

In attendance were:

Members: Rebecca Frawley-Wachtel, designee for C. Kornegay; Lisa Serafin, Carolina Avellaneda

Staff: Deb Morse  
Matt Deych  
Sergio Ferreira  
Beth Elliott  
Chris Burns  
Daniel Staring  
Henry Mukasa  
Kathleen Evans  
Cynthia Lacasse  
Karen Kelleher  
John McCormack  
Hanna Schutt  
Kaitlyn Mulcahy  
Meaghan McCarthy  
David Keene  
Ricky Ochilo  
Anne Marie MacPherson  
Bill Dunn  
Zan Bross  
Rachel Carlson  
Casey Baines  
LaVergne Randolph

The meeting began at 2:00 pm.

**1. Summary of the November 7, 2017 Loan Committee Meeting**

The summary of the November 7, 2017 Loan Committee meeting was presented to the Loan Committee Panel. The members approved the summary.

**2. Chatham West, I, Brockton – Commitment of Workforce Housing Loan, Commitment of Undesignated Opportunity Fund Loan, Approval of Subordination/Extension Loans presented by Kathleen Evans:**

Beacon Chatham West Associates I Limited Partnership requests a \$3,000,000 Undesignated Opportunity Fund subordinate loan and a \$1,500,000 Workforce Housing subordinate loan for Chatham West I, a 300-unit townhouse development in Brockton. Two-hundred and seventy-two units are covered by a Rental Assistance Demonstration (“RAD”) project-based Section 8 contract. The remaining 28 households were ineligible for RAD. MassHousing provided a RAD Bridge Loan that is due May 1, 2019. Recognizing the need to minimize current demands for scarce resources, including subordinate debt and volume cap, Beacon Communities has requested subordinate debt from MassHousing that will allow the Development to repay the MassHousing Bridge Loan, complete urgent capital improvements, maintain affordability, and provide vulnerable 13A Legacy households from the adjacent Chatham West II with a chance to secure a subsidized unit. The term of the deal is a period of no more than nine years in anticipation of a future long-term preservation refinancing. The proposal is thus related to the financing proposal for Chatham West II.

**3. Chatham West II, Brockton – Commitment of 13A Tenant Protection Loan, Approval of Subordination/Extension of Loan presented by Kathleen Evans:**

Beacon Chatham West Associates II Limited Partnership requests approval of a \$10,000,000 13A Tenant Protection subordinate loan for Chatham West II, a 270-unit townhouse development in Brockton. This \$10,000,000 loan is forgivable in annual increments over its nine-year term if certain conditions are met. Sixty-eight units are covered by a Section 8 Project Based Rental Assistance contract, and the remaining 202 units were subsidized through a Section 13A mortgage that matured in March 2017. Recognizing the need to minimize current demands for scarce resources, including subordinate debt and volume cap, Beacon Communities has presented a proposal to complete some improvements, maintain affordability, and protect vulnerable 13A Legacy households for a period of no more than nine years in anticipation of a future long-term preservation refinancing. As noted above, the proposals for Chatham West I and Chatham West II are related.

**4. Orient Heights Phase Two, East Boston – Official Action Status presented by Deborah Morse:**

Trinity Financial, Inc. and East Boston CDC are currently seeking official action status to protect its ability to reimburse any appropriate project expenditures with the proceeds of a

future tax-exempt financing. The tax-exempt bond proceeds from MassHousing of up to \$26,000,000 will be used as project financing for the demolition and new construction of Orient Heights Phase Two. Orient Heights Phase Two will involve the demolition of several existing buildings containing 90 dwelling units, and the new construction of 82 units in a combination of townhouses and a four-story midrise building. This is part of a comprehensive, four-phase master planned redevelopment for the entire Orient Heights development. Orient Heights Phase One is under construction and is anticipated to be completed the first quarter of 2018. Upon completion, the collective four-phase effort will yield 373 units of housing, 331 of which will be restricted as affordable to low-income households.

**5. Residences at Cedar Cell, Dartmouth – MAP/Ginnie Mae Multifamily Joint Venture Lending Initiative presented by Deborah Morse:**

LCB Cedars at Dartmouth, LLC, a Massachusetts limited liability company, requests approval to refinance with MassHousing under the MAP/Ginnie Mae Multifamily Joint Venture Lending Initiative. CBRE has worked directly with the borrower to underwrite the \$10,367,200 mortgage loan and apply to the local HUD office for FHA mortgage insurance under HUD's Section 232/223(f) Program, pursuant to Sections 232 and 223(f) of the National Housing Act. The loan will be MassHousing's first mortgage loan under the Section 232/223(f) Program, which is a mortgage insurance program for residential healthcare facilities. As with traditional 223(f) Program loans, 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 enter into an agreement with CBRE 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 to fund this loan.

**6. Redwood Terrace, Lowell – Level One Transfer of Ownership presented by Henry Mukasa:**

Winn Pondview Limited Partnership, requests MassHousing's approval of a Level One Transfer of Ownership. Under the proposed transfer, Winn Pondview Limited Partnership will sell the development to Redwood Terrace LLC, a previously formed, single-purpose, sole asset entity. This Level One Transfer is subject to the requirements of the Transfer of Ownership Policy approved by the Board on August 14, 2007 and further subject to any additional conditions required by the Director of Rental Management and the General Counsel.

A true record.

Attest:



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Beth M. Elliott, Secretary

Materials:

- Proposed Agenda
- Draft Meeting Summary for November 7, 2017
- Proposed Official Action Status for Orient Heights Phase Two
- Proposed Loan Commitments for Chatham West I and Chatham West II
- Proposed MAP/Ginnie Mae Joint Venture Commitment for Cedar Dell
- Proposed Level One Transfer of Ownership for Redwood Terrace