

**Minutes of the
MassHousing Multifamily Advisory Committee Meeting
held on
April 5, 2019**

A regular meeting of the MassHousing Multifamily Advisory Committee (MFAC) was held on April 5, 2019 at MassHousing's offices located at One Beacon Street in Boston, Massachusetts. In attendance were:

Members Present:

Ann Houston
Rodger Brown
Margaret Wagner
Ned Epstein
Howard Cohen
Charlie Adams
Thomas O'Malley
Lisa Alberghini
Len Fishman
Kenneth Willis

Members Not Present:

Melissa Fish-Crane (via phone)
Gordon Pulsifer
Daniel Rivera
Hannah Kilson (via phone)
William Martin

Staff Present:

Chrystal Kornegay
Sergio Ferreira
Mark Teden
Cynthia Lacasse
Francis Goyes Flor
Monique Gibbs
Carol McIver
Alexander Bross
Henry Mukasa
Christopher Burns

The meeting was convened at 12:11 p.m. by Mark Teden.

The first order of business was approval of the minutes, which were duly approved.

Mr. Teden opened the discussion by reviewing the results of the Abt Competitive Analysis Study. Abt recently updated its 2014 report. Abt looked at market share data and did an analysis of rental lending concentrations. Abt also conducted interviews with developers and consultants. Mr. Teden indicated that there has been positive movement since 2014. MassHousing's market share has increased from 2014-2017. MassHousing has 80% of the 4% market share and 55% of the overall market share in the affordable housing space. From 2011-2013, the top 3 borrowers accounted for 60% of loan volume, and now 10 borrowers account for 60% of volume. While large borrowers are generally satisfied with MassHousing, there were more mixed reviews from smaller and non-profit borrowers. There are certain statutory issues that give borrowers pause.

Keith Willis and Len Fishman talked about how a structured process such as six sigma or lean, or a journey mapping process, might be helpful.

Mr. Teden continued his presentation by saying that MassHousing is actively engaged in finding new capital sources. One option is HUD 221(d)(4) loans for construction. Mr. Teden also introduced Francis Goyes Flor and Monique Gibbs to the committee and indicated that they are looking at policy innovation. MassHousing has also been exploring certain other options, including Opportunity Zone projects, and perhaps creating a CDFI to access Capital Magnet Funds. There was discussion of the Housing Partnership Network potential investment.

Ms. Kornegay mentioned how the HPN investment would not be just for HPN members.

Mr. Epstein asked if there was any activity relating to the FFB product or if NCSHA is doing anything relating to long-term taxable debt and credit enhancement. Mr. Teden, Ms. Lacasse, Ms. Kornegay and Mr. Ferreira discussed how there are no new FFB deals, how there was a concentration of FFB deals in particular states such as New York, California and Massachusetts, and how much production there was with FFB.

Mr. Ferreira indicated, that we have been doing MAP deals, and are making an effort to reach to new capital sources. MassHousing staff asked the committee for any thoughts about potential other sources. Mr. Cohen indicated that he works with GSEs for speed, and Mr. Epstein talked about 223(f)s and d(4)s because they offer longer term debt. There was general discussion about being more flexible with loan terms, and including some speedier executions. Ms. Wagner indicated that Freddie and Fannie loans have restrictive language on transfers. There was general discussion of statutory constraints and whether a developer would choose MassHousing over other lenders.

The next topic of discussion was a presentation by Zan Bross about MassHousing's collaboration with LISC. Mr. Bross indicated that MassHousing partnered with LISC to look at sustainability and healthy housing. The idea was to facilitate dialogue, including public events and engagement with borrowers. Mr. Bross indicated that there have been a couple of events thus far, and that there is a planned Resiliency Forum for May 10th at the Federal Reserve. Resiliency relates to the capacity to withstand, endure and recover from disruptions relating to climate change.

Mr. Bross indicated that MassHousing has collected WEGOWise data from 80% of the portfolio that is using WEGOWise and staff is working with a consultant to analyze the data and provide feedback to developments to advise on utility saving opportunities. Mr. Fishman commented that it would be interesting to know how this housing affects older adults as there are special challenges with respect to subsidized housing for older adults. Ms. Alberghini mentioned hospitals and health staff in developments and Mr. O'Malley commented on chemicals in the environment of manufactured housing.

Ms. Lacasse then went on to give a Workforce Housing Program Update. MassHousing has invested \$100 million for workforce housing. The income target is up to 120% AMI. There is a focus on new production, or properties at risk for conversion to market. Thus far, MassHousing's investment of \$71.5 million is supporting 3,102 units of housing, funding 31 projects in 16 cities and towns. There has been diversity in the income mixes. Ms. Lacasse then went through 3 case studies, including 246 Norwell, Gateway North and Holmes Beverly. Ms. Lacasse indicated that there is continued demand for the product. She indicated that MassHousing is working with DHCD and trying to figure out a way to recapitalize the program.

There was general discussion about how a return of capital would be helpful to keep the product going. Ms. Kornegay also indicated that the per project funding cap is going down so that we can fund more

deals. The housing bond bill authorized \$100 million for workforce housing, but that may mean 15-20 million per year.

There was then some general discussion about the Governor's housing bill.

The meeting concluded at approximately 1:27 p.m.

A true record.

Attest.



Carol G. Mclver
Assistant Secretary