

**Minutes of the Regular Meeting
of the Members of MassHousing
held on
August 9, 2022**

The regular meeting of the Massachusetts Housing Finance Agency – doing business as MassHousing - was held on August 9, 2022. In accordance with Section 20 of An Act Extending Certain COVID-19 Measures Adopted During the State of Emergency, 2021 Mass. Acts 20, as amended, , no Members were physically present and the meetings were conducted remotely through a publicly accessible Zoom meeting.

Participating remotely were the Members (by roll call):

Members Jeanne Pinado, Chair
 Ping Yin Chai, Vice Chair
 Patricia McArdle
 Jerald Feldman
 Tom Flynn
 Jennifer Maddox, ex officio
 Mark Attia, Designee of Michael Heffernan, ex officio

Members

Not

Participating Mike Dirrane
 Carolina Avellaneda

Staff *Due to the remote convening, a list of MassHousing staff participating or observing the meeting was not available*

Guests *Due to the remote convening, a list of guests observing the meeting was not collected*

Chair Pinado convened the meeting to order at 2:00 p.m.

Chair Pinado then indicated that the first order of business was the approval of the minutes of the previous meeting. Upon a motion duly made and seconded, by roll call vote, it was, by all Members present:

VOTED: That the minutes of the Regular Meeting held on July 12, 2022 are hereby approved and placed on record.

Executive Director’s Report

There was no Executive Director’s Report.

Loan Committee

Mildred Hailey Building 1A and Building 1B, Jamaica Plain

Greg Watson presented proposals for Mildred Hailey Buildings 1A and 1B in Jamaica Plain for Commitment of a Tax-Exempt Permanent Loan, Commitment of a Tax-Exempt Equity Bridge Loan, Commitment of a Workforce Housing Subordinate Loan and Approval for the Use of Low-Income Housing Tax Credits for the Mildred Hailey Apartments. The Mildred Hailey apartments, formerly known as Bromley Heath, is one of the most distressed public housing sites in Boston. The redeveloped site has been named after Mildred Hailey, a renowned and dedicated leader of the Tenant Management Corporation who was a strong advocate for the property residents and the entire neighborhood.

Mildred Hailey Building 1A

The Community Builders (“TCB”), in partnership with Urban Edge and Jamaica Plain Neighborhood Development Corporation joined together as Centre Street Partners LLC (“CSP”) for the purpose of transforming Mildred Hailey Apartments.

CSP responded to Boston Housing Authority’s (“BHA”) Request for Proposals for the redevelopment of the Mildred Hailey public housing campus. Each member of CSP will develop separate components of the overall master plan. The BHA designated TCB as the developer for Phase 1 of the proposed redevelopment in January 2021, which includes both the proposed Mildred Hailey Building 1A (the “Development”) and Mildred Hailey Building 1B (“MH 1B”), along with the new Anna Mae Cole Community Center (“AMC Center”).

The Development will result in the demolition of the existing residential structures and the construction of 44 affordable public housing replacement rental units and 56 new affordable rental units for a total of 100 units in a six-story building. Other building amenities include the AMC Center, and a community/commercial space in the mixed-income development located within a six-story building. The Development and MH 1B will be the first two buildings in the redevelopment of the Mildred Hailey public housing complex.

The Development is located at 8 and 10 Lamartine Street near the Jackson Square MBTA Station, which provides access to the Orange Line and several MBTA bus routes. The site is adjacent to the Southwest Corridor Park, which provides multi-modal access to the Back Bay and Forest Hills. The area immediately surrounding the Development site includes a mix of residential, commercial, and retail uses.

The Development will include the demolition of two existing buildings, the construction of a new six-story elevator residential building, which will include the AMC Center. The AMC Center will be attached to the new residential building and will provide flexible programming space to meet

the diverse needs of residents of all ages and abilities, including educational workshops, art classes, and exercise classes. The project also includes approximately 1,520 square feet of commercial space for a future non-profit partner service provider.

Other amenities include a revitalized plaza space with pedestrian paths, seating areas and enhanced landscaping to encourage use of the outdoor space. There will be significant infrastructure improvements to the Jackson Square streetscape, new utilities, and stormwater upgrades and a new residential courtyard along Lamartine Street. The Development includes a new partially underground parking garage that will be situated below the Development, MH 1B, and the AMC Center. The Development will also house a large bike room at the garage floor level, which will provide spaces for residents of both the Development & MH 1B.

All 100 units will be subject to income-restrictions. Seventeen (17) units will be affordable to households at or below 30% of Area Median Income (AMI), 41 units will be affordable to households at or below 50% of AMI, eighteen (18) units will be affordable to households at or below 60% of AMI, and 24 units will be restricted at 80% of AMI. All of the 30% units and 31 of the 50% units will benefit from new project-based Section 8 subsidy contracts.

The property will be subject to a ground lease between the Borrower and the BHA, in accordance with the BHA Developer Designation.

Mildred Hailey Building 1B

The Community Builders (“TCB”), in partnership with Urban Edge and Jamaica Plain Neighborhood Development Corporation joined together as Centre Street Partners LLC (“CSP”) for the purpose of transforming the Mildred Hailey Apartments.

CSP responded to Boston Housing Authority’s (“BHA”) Request for Proposals for the redevelopment of the Mildred Hailey public housing campus. Each member of CSP will develop separate components of the overall master plan. The BHA designated CSP as the developer for Phase 1 of the proposed redevelopment in January 2021, which includes both the proposed Mildred Hailey Building 1B (the “Development”) and Mildred Hailey Building 1A (“MH 1A”), along with the new Anna Mae Cole Community Center (“AMC Center”).

The Development will result in the demolition of the existing residential structure and the construction of 47 replacement affordable rental units and 76 new affordable rental units for a total of 123 units within a six-story elevator building. The Development and the proposed MH 1A, that is a separate but related funding request, will be the first two buildings in the redevelopment of the Mildred Hailey public housing complex.

The Development is located at 12 Lamartine Street near the Jackson Square MBTA Station, which provides access to the Orange Line and several bus routes. The site is adjacent to the Southwest Corridor Park, which provides multi-modal access to the Back Bay and Forest Hills. The area immediately surrounding the Development site includes a mix of residential, commercial, and retail uses.

The Development will include the demolition of the existing building, and the construction of a new six-story elevator residential building. Amenities include a revitalized plaza space with pedestrian paths, seating areas, and enhanced landscaping. There will be significant infrastructure improvements to the Jackson Square streetscape, new utilities, stormwater upgrades, and a new residential courtyard along Lamartine Street.

The Development's residents will also have access to parking in a garage situated below MH 1A, the Development, and the AMC Center. The AMC Center is a community space that will provide programming opportunities for the diverse needs of residents, including educational workshops, art classes, and exercise classes. MH 1A's scope includes a bike room in the parking garage, which will have spaces available for both MH 1A and the Development.

All 123 units will be subject to income restrictions. Seventeen (17) units will be affordable to households at or below 30% of Area Median Income (AMI), 42 units will be affordable to households at or below 50% of AMI, 34 units will be affordable to households at or below 60% of AMI, and 30 units will be affordable to households at 100% of AMI. All of the 30% units and 34 of the 50% units will benefit from new project-based Section 8 subsidy contracts.

The property will be subject to a ground lease between the Borrower and the BHA, in accordance with the BHA Developer Designation.

There was a brief discussion regarding the number of net new units produced after demolition and the extent of resident relocation on-site.

Upon a motion duly made and seconded, by roll call vote, it was by all Members present

Mildred Hailey Building 1A

VOTED: To approve the findings and determinations set forth below and to authorize (a) a permanent first mortgage loan in a principal amount of up to \$16,200,000, such first loan to be insured under the HUD HFA Risk Sharing Program; and (b) a subordinate equity bridge mortgage loan in a principal amount of up to \$37,250,000, in each case to be made to Mildred Hailey 1A Limited Partnership or another single-purpose entity controlled by The Community Builders, Inc. (the "Borrower") as owner of the multifamily residential development known as "Mildred Hailey Building 1A" (the "Development") and located in Boston, Massachusetts, and in accordance with the applicable general closing standards and delegations of authority previously approved, and further subject

to (1) compliance with all applicable laws and all regulations and requirements of applicable financing programs, and (2) the following special conditions: None.

FURTHER VOTED:

To approve a subordinate mortgage loan to the Borrower for the Development in an amount not to exceed \$2,400,000 (1) to be funded from that portion of the Opportunity Fund approved by the Members of MassHousing on March 8, 2016, designated and reserved for workforce housing programs and (2) subject to the terms and conditions of MassHousing's Workforce Program Guidelines adopted by the Members on July 12, 2016, as amended, and to any applicable delegations of authority previously approved by the Members of MassHousing.

FURTHER VOTED:

That the amount of 4% Credits, as set by the Executive Director, the Vice President of Multifamily Programs, the Director of Rental Business Development, the Director of Rental Underwriting, the General Counsel or the designee of any of the foregoing, prior to loan closing, to be used in connection with the Development will not exceed the amount which is necessary for the financial feasibility of the Development and its viability as a qualified low-income housing project throughout the credit period, having taken into consideration:

- (a) the sources and uses of funds and the total financing planned for the Development;
- (b) any proceeds or receipts expected to be generated by reason of tax benefits;
- (c) the percentage of the tax credit amount used for Development costs other than the cost of intermediaries; and
- (d) the reasonableness of the developmental and operational costs of the Development, provided, however, that such determination shall not be construed to be a representation or warranty as to the feasibility or viability of the Development.

FURTHER VOTED:

To authorize the Executive Director, the Vice President of Multifamily Programs, the Director of Rental Business Development, the General Counsel or the designee of any of the foregoing, each acting singly, to set the amount of 4% Credits to be used in connection with the Development applying the standards set forth in the immediately preceding vote.

FURTHER VOTED:

To authorize the Executive Director and the Vice President of Multifamily Programs, and their respective designees, each acting singly, to permit the Borrower to enter into, or assume, mortgage loans with third parties with respect to the Development, provided that (1) any such mortgage loans shall be subordinated to MassHousing's first mortgage loan, and other MassHousing debt as determined by the Executive Director or the Vice President of Multifamily Programs, and (2) such subordinate mortgage loans shall be subject to MassHousing's requirements pertaining to subordinate mortgages, in a manner acceptable to MassHousing's General Counsel or his designee.

**STATUTORY FINDINGS AND
DETERMINATIONS**

Statutory Findings:

The Loan(s) will be financed under the provisions of Section 5 of MassHousing's enabling act, Chapter 708 of the Acts of 1966, as amended (the "Act"). Pursuant to Section 5(g) of the Act, staff makes the following findings for the proposed Development:

1. The affordability of rents for 20% of the units:

76 units (76%) in the Development will be affordable to low-income persons and families, as specified in the Act, at rents that do not exceed the adjusted rentals shown in the rent schedule below.

2. Shortage of Affordable Housing Units in the Market Area

The market needs data reflects the information available to A&M staff as of the date of collection June 29, 2022 and may not fully incorporate the potentially adverse impact(s) that the COVID-19 virus has had on the overall economy or on the local housing markets, since being declared a pandemic by the World Health Organization (WHO) in March 2020. Further, the reader is cautioned and reminded that any observations, comparisons, and/or conclusions are based on the data as of the aforementioned collection date.

In-house data for larger market and mixed-income complexes (approximately 2,184 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 97.1%, and range between 94% and 100%. None of the five comparables reviewed was offering a rental concession.

2nd Qtr. 2022 CoStar data for the subject's JP/Roslindale/West Roxbury Submarket (6,719 units) has an overall vacancy rate at 7.4 % YTD, which is an increase of 2.59% from one year ago. CoStar data for the Boston market (250,359 units) has an overall vacancy rate of 4.0% YTD, which is a decrease of 1.70% from one year ago. The JP/Roslindale/West Roxbury Submarket vacancy rate is projected to increase to 6.0% over the next five years, while the Boston market is projected to increase to 5.1%.

CoStar, submarket data for the 4-5 Star building type (2,061 units) indicates a 2nd Qtr. 2022 vacancy rate of 16.8 % and an average asking rent of \$3,058, while submarket data for the subject's 3 Star building type (2,102 units) indicates a 2nd Qtr. 2022 vacancy rate of 4.6 % at an average asking rent of \$2,139 and 1-2 Star buildings (2,556 units) indicates a 2nd Qtr. 2022 vacancy rate of 2.0% at an average asking rent of \$1,725. The development with its amenities, more closely reflects the 3 Star building type, and is reflected in both the vacancy rate and market rent potential.

According to the Department of Housing and Community Development's (DHCD) Chapter 40B Subsidized Housing Inventory (12/21/20), the City of Boston 269,482 year-round housing units, 55,509 (20.6%) of which are subsidized for low/moderate income households.

As of January 2022, The Boston Housing Authority (BHA) owns and operates 27 family and 36 elderly/disabled developments with a total of 12,501 units. The BHA also administers 14,574 units of Leased Housing, consisting of 12,216 Housing Choice Vouchers, 1,441 Project Based and 198 Moderate Rehab. In addition, the City of Boston's Annual Plan (FY2020) indicated that the BHA maintains the following wait lists: There are 15,140 households on the Leased Housing waiting list. This is broken down by families with children, families with disabilities and elderly families. The BHA also had Single applicants on the waiting list. There were also instances of families that fit into more than one category. This waiting list has been closed since November 2008 and there are no plans to reopen at his time. The BHA also maintains a Public Housing Wait list with 41,038 applicants.

U.S. Census data from the 2016-2020 American Community Survey (ACS) indicates that of the 273,188 households in the City of Boston approximately 75.8% earned less than the HUD published 2022 AMI, approximately 46.9% earned less than 50% of 2022 AMI, approximately 53.0 % earned less than 60% of the 2021 AMI, and approximately 64.3 % earned less than 80% of the 2022 AMI.

3. Inability of Private Enterprise Alone to Supply Affordable Housing

MassHousing staff has completed an analysis of the market rate rents, as defined by Agency statute, which absent MassHousing financing, would be required to support the development and

operations of the Development. Based on the substantial difference between these market rents (shown in the Rent Schedule below) and the rents for this project, MassHousing staff finds that private enterprise alone cannot supply such housing.

4. No Undue Concentration of Low-income Households

The financing herein proposed does not lead to the undue concentration of low-income households.

5. Elimination or Repair of Unsafe or Unsanitary Dwelling Units

As evidenced by data cited in Finding No. 2 above, there is an acute shortage of decent, safe, and sanitary housing available to low-income persons and families in the general housing market area of the Development. Although staff is not aware of units within the same market area that require demolition or compulsory repair, by preserving the affordable housing proposed here, those in need of affordable housing will not be forced to accept residence in substandard units. So long as the acute shortage of affordable housing persists, actions of public agencies to increase the supply of affordable housing will reduce the market forces that allow unsafe and unsanitary units to persist. In addition, MassHousing, through its administration of housing programs, and other public agencies (e.g., local enforcement of building codes), continue to require repair of substandard units as such units are identified.

Rental Determinations:

Pursuant to Section 6(a) of the Act, MassHousing makes the following rental determinations for units within the proposed Development:

Rent Schedule:

| | | | | | | |
|--|-------------------|---------|---------|---------|---------|----------|
| Number of Bedrooms | 0 | 1 | 2 | 3 | 4 | 5 |
| Number of Units | 10 | 24 | 37 | 11 | 13 | 5 |
| Net SF/Unit | 440 | 580 | 855 | 1110 | 1280 | 1680 |
| Elev./Non-Elev. | Y | Y | Y | Y | Y | Y |
| Market Rate Rent (10% Rate 20 Year Term) | \$7,533 | \$7,837 | \$7,976 | \$8,899 | \$9,497 | \$10,047 |
| MHFA Below Market Rent (Cost-Based Rent) | \$4,786 | \$5,089 | \$5,228 | \$6,151 | \$6,749 | \$7,299 |
| MHFA Adjusted Rent | 30% of 60% of AMI | | | | | |
| Underwriting Rents | | | | | | |
| Section 8 30% AMI | \$1,983 | \$2,215 | \$2,700 | \$3,375 | \$3,650 | \$4,200 |
| Section 8 50% AMI | \$- | \$2,215 | \$2,700 | \$3,375 | \$3,650 | \$4,200 |
| LIHTC 50% AMI | \$1,166 | \$1,249 | \$1,498 | \$1,732 | - | - |
| LIHTC 60% AMI | \$1,399 | \$1,499 | \$1,798 | \$2,078 | \$- | \$- |
| LIHTC/WFH 80% AMI | \$1,859 | \$1,992 | \$2,391 | \$2,763 | \$- | \$- |

Based on this information, MassHousing staff finds that a significant need exists for the type of development proposed here, that private enterprise alone cannot supply such housing, and that the financing of the Development will not create or contribute to an undue concentration of low-income persons or adversely impact other housing in the area.

Mildred Hailey Building 1B

VOTED: To approve the findings and determinations set forth below and to authorize (a) a permanent first mortgage loan in a principal amount of up to \$18,300,000, such first loan to be insured under the HUD HFA Risk Sharing Program; and (b) a subordinate equity bridge mortgage loan in a principal amount of up to \$28,400,000, in each case to be made to Mildred Hailey 1B Limited Partnership or another single-purpose entity controlled by The Community Builders, Inc. (the “Borrower”) as owner of the multifamily residential development known as “Mildred Hailey Building 1B” (the

“Development”) and located in Boston, Massachusetts, and in accordance with the applicable general closing standards and delegations of authority previously approved, and further subject to (1) compliance with all applicable laws and all regulations and requirements of applicable financing programs, and (2) the following special conditions: None

FURTHER VOTED:

To approve a subordinate mortgage loan to the Borrower for the Development in an amount not to exceed \$3,000,000 (1) to be funded from that portion of the Opportunity Fund approved by the Members of MassHousing on March 8, 2016, designated and reserved for workforce housing programs and (2) subject to the terms and conditions of MassHousing’s Workforce Program Guidelines adopted by the Members on July 12, 2016, as amended, and to any applicable delegations of authority previously approved by the Members of MassHousing.

FURTHER VOTED:

That the amount of 4% Credits, as set by the Executive Director, the Vice President of Multifamily Programs, the Director of Rental Business Development, the Director of Rental Underwriting, the General Counsel or the designee of any of the foregoing, prior to loan closing, to be used in connection with the Development will not exceed the amount which is necessary for the financial feasibility of the Development and its viability as a qualified low-income housing project throughout the credit period, having taken into consideration:

- (a) the sources and uses of funds and the total financing planned for the Development;
- (b) any proceeds or receipts expected to be generated by reason of tax benefits;
- (c) the percentage of the tax credit amount used for Development costs other than the cost of intermediaries; and
- (d) the reasonableness of the developmental and operational costs of the Development, provided, however, that such determination shall not be construed to be a representation or warranty as to the feasibility or viability of the Development.

FURTHER VOTED: To authorize the Executive Director, the Vice President of Multifamily Programs, the Director of Rental Business Development, the General Counsel or the designee of any of the foregoing, each acting singly, to set the amount of 4% Credits to be used in connection with the Development applying the standards set forth in the immediately preceding vote.

FURTHER VOTED:

To authorize the Executive Director and the Vice President of Multifamily Programs, and their respective designees, each acting singly, to permit the Borrower to enter into, or assume, mortgage loans with third parties with

respect to the Development, provided that (1) any such mortgage loans shall be subordinated to MassHousing's first mortgage loan, and other MassHousing debt as determined by the Executive Director or the Vice President of Multifamily Programs, and (2) such subordinate mortgage loans shall be subject to MassHousing's requirements pertaining to subordinate mortgages, in a manner acceptable to MassHousing's General Counsel or his designee.

STATUTORY FINDINGS AND DETERMINATIONS

Statutory Findings:

The Loan(s) will be financed under the provisions of Section 5 of MassHousing's enabling act, Chapter 708 of the Acts of 1966, as amended (the "Act"). Pursuant to Section 5(g) of the Act, staff makes the following findings for the proposed Development:

1. The affordability of rents for 20% of the units:

93 units (76%) in the Development will be affordable to low-income persons and families, as specified in the Act, at rents that do not exceed the adjusted rentals.

2. Shortage of Affordable Housing Units in the Market Area

The market needs data reflects the information available to A&M staff as of the date of collection June 29, 2022 and may not fully incorporate the potentially adverse impact(s) that the COVID-19 virus has had on the overall economy or on the local housing markets, since being declared a pandemic by the World Health Organization (WHO) in March 2020. Further, the reader is cautioned and reminded that any observations, comparisons, and/or conclusions are based on the data as of the aforementioned collection date.

In-house data for larger market and mixed-income complexes (approximately 2,184 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 97.1%, and range between 94% and 100%. None of the five comparables reviewed was offering a rental concession.

2nd Qtr. 2022 CoStar data for the subject's JP/Roslindale/West Roxbury Submarket (6,719 units) has an overall vacancy rate at 7.4 % YTD, which is an increase of 2.59% from one year ago. CoStar data for the Boston market (250,359 units) has an overall vacancy rate of 4.0% YTD, which is a decrease of 1.70% from one year ago. The JP/Roslindale/West Roxbury Submarket vacancy rate is projected to increase to 6.0% over the next five years, while the Boston market is projected to increase to 5.1%.

CoStar, submarket data for the 4-5 Star building type (2,061 units) indicates a 2nd Qtr. 2022 vacancy rate of 16.8 % and an average asking rent of \$3,058, while submarket data for the subject's 3 Star building type (2,102 units) indicates a 2nd Qtr. 2022 vacancy rate of 4.6 % at an average asking rent of \$2,139- and 1-2-Star buildings (2,556 units) indicates a 2nd Qtr. 2022 vacancy rate

of 2.0% at an average asking rent of \$1,725. The development with its amenities, more closely reflects the 3 Star building type, and is reflected in both the vacancy rate and market rent potential.

According to the Department of Housing and Community Development's (DHCD) Chapter 40B Subsidized Housing Inventory (12/21/20), the City of Boston 269,482 year-round housing units, 55,509 (20.6%) of which are subsidized for low/moderate income households.

As of January 2022, The Boston Housing Authority (BHA) owns and operates 27 family and 36 elderly/disabled developments with a total of 12,501 units. The BHA also administers 14,574 units of Leased Housing, consisting of 12,216 Housing Choice Vouchers, 1,441 Project Based and 198 Moderate Rehab. In addition, the City of Boston's Annual Plan (FY2020) indicated that the BHA maintains the following wait lists: There are 15,140 households on the Leased Housing waiting list. This is broken down by families with children, families with disabilities and elderly families. The BHA also had Single applicants on the waiting list. There were also instances of families that fit into more than one category. This waiting list has been closed since November 2008 and there are no plans to reopen at his time. The BHA also maintains a Public Housing Wait list with 41,038 applicants.

U.S. Census data from the 2016-2020 American Community Survey (ACS) indicates that of the 273,188 households in the City of Boston approximately 75.8% earned less than the HUD published 2022 AMI, approximately 46.9% earned less than 50% of 2022 AMI, approximately 53.0 % earned less than 60% of the 2021 AMI, and approximately 64.3 %earned less than 80% of the 2022 AMI.

3. Inability of Private Enterprise Alone to Supply Affordable Housing

MassHousing staff has completed an analysis of the market rate rents, as defined by Agency statute, which absent MassHousing financing, would be required to support the development and operations of the Development. Based on the substantial difference between these market rents (shown in the Rent Schedule below) and the rents for this project, MassHousing staff finds that private enterprise alone cannot supply such housing.

4. No Undue Concentration of Low-income Households

The financing herein proposed does not lead to the undue concentration of low-income households.

5. Elimination or Repair of Unsafe or Unsanitary Dwelling Units

As evidenced by data cited in Finding No. 2 above, there is an acute shortage of decent, safe, and sanitary housing available to low-income persons and families in the general housing market area of the Development. Although staff is not aware of units within the same market area that require demolition or compulsory repair, by preserving the affordable housing proposed here, those in need of affordable housing will not be forced to accept residence in substandard units. So long as the acute shortage of affordable housing persists, actions of public agencies to increase the supply of affordable housing will reduce the market forces that allow unsafe and unsanitary units to persist. In addition, MassHousing, through its administration of housing programs, and other public agencies (e.g., local enforcement of building codes), continue to require repair of substandard units as such units are identified.

Rental Determinations:

Pursuant to Section 6(a) of the Act, MassHousing makes the following rental determinations for units within the proposed Development:

Rent Schedule:

| | | | | |
|--|-------------------|---------|---------|---------|
| Number of Bedrooms | 0 | 1 | 2 | 3 |
| Number of Units | 22 | 36 | 47 | 18 |
| Net SF/Unit | 440 | 600 | 840 | 1120 |
| Elev./Non-Elev. | Y | Y | Y | Y |
| Market Rate Rent (insert) | \$5,679 | \$5,883 | \$6,117 | \$6,985 |
| MHFA Below Market Rent (Cost-Based Rent) | \$3,782 | \$3,985 | \$4,219 | \$5,088 |
| MHFA Adjusted Rent | 30% of 60% of AMI | | | |
| Underwriting Rents | | | | |
| Section 8 30% of AMI | \$0 | \$2,215 | \$2,700 | \$3,375 |
| Section 8 50% of AMI | \$0 | \$2,215 | \$2,700 | \$3,375 |
| LIHTC 50% of AMI | \$1,166 | \$1,249 | \$1,498 | \$1,732 |
| LIHTC 60% of AMI | \$1,399 | \$1,499 | \$1,798 | \$2,078 |
| Workforce Housing 100% of AMI | \$2,052 | \$2,340 | \$2,880 | \$0 |

Based on this information, MassHousing staff finds that a significant need exists for the type of development proposed here, that private enterprise alone cannot supply such housing, and that the financing of the Development will not create or contribute to an undue concentration of low-income persons or adversely impact other housing in the area.

Stone Mill, Lawrence

Mike Carthas presented a proposal for Official Action Status, Commitment of Tax-Exempt Permanent Loan, Commitment of Tax-Exempt Bridge Loan and Approval for the Use of Low-Income Housing Tax Credits for Stone Mill in Lawrence.

WinnDevelopment Company Limited Partnership (the “Sponsor”) has requested a tax-exempt permanent loan for the redevelopment of Stone Mill (the “Development”) in Lawrence. Originally constructed in 1846, the proposed financing will complete an adaptive reuse of the 175-year-old building. The Borrower acquired the property in 2021. The proposed financing of the Development

will support the creation of 86 new units (69 affordable) in a Qualified Census Tract (“QCT”) and Opportunity Zone within the Gateway City of Lawrence.

Dating back to 1846, the Stone Mill is one of Lawrence's oldest and most iconic historic buildings. Originally known as the Essex Machine Shop, the Stone Mill was one of the first buildings to be erected along the North Canal as part of the greater Everett Mills complex. The proposed redevelopment effort will consist of the adaptive reuse of the 175-year-old building. The Development is located near the Merrimack River, directly across the Union Street bridge from the Lawrence MBTA station.

The Development will create 86 units of housing, with a mix of one, two, and three-bedroom units. The adaptive reuse will replace all major systems, install a new roof, and complete structural work. The Development also received a \$2,881,000 grant from the state’s Department of Energy Resources for funding under the Merrimack Valley Building Excellence Grant Program. The Development aligns with the purpose of the Grant Program, which includes maximizing energy efficiency and electrification for projects that provide long-term affordable housing, while creating job opportunities for the local workforce. The Sponsor has also established a social service reserve of \$100,000 for the Development. This reserve will impact six key outcome areas (Housing, Economic Mobility, Employment, Health, Education and Community Engagement) for residents at the Development. The services will help residents find employment opportunities, locate preschool and after-school education centers, and partner with local stakeholders for community events.

Of the eighty-six (86) units, sixty-nine (69) are subject to affordability restrictions. Of these units, eleven (11) will be income-restricted to households earning up to 30% of Area Median Income (“AMI”), of which eight (8) will benefit from a new project-based Section 8 voucher contract. An additional fifty-eight (58) units will be income-restricted to households earning up to 60% of AMI. The remaining 17 units are unrestricted and will be rented at market rates.

The Borrower currently owns the parcel where the building is located and holds a leasehold interest in an adjacent parcel that will serve as parking for the Development.

Upon a motion duly made and seconded, by roll call vote, it was by all Members present

VOTED: To approve the findings and determinations set forth immediately following this vote and to authorize (i) the Agency to grant Official Action Status and consider the application for a loan commitment for the multifamily development known as “Stone Mill” (the “Development”) at such time as it is submitted; (ii) this vote to serve as a declaration of official intent under Treasury Regulations Section 1.150-2 to fund all or a portion of costs paid or incurred after this date from the proceeds of a tax-exempt debt issue of the Agency if the Agency shall approve and fund the Development; (iii) that the issuance of debt by the Agency not be

in excess of \$26,857,000.00 in principal amount for the Development; and

(iv) that the issuance of debt occur not later than 18 months after the latest of (a) the date on which the earliest expenditure subject to Treasury Regulations Section 1.150-2 is paid, (b) the date on which the property is placed in service or abandoned, but in no event more than three years after the earliest expenditure is paid, or (c) the date otherwise permitted by the Internal Revenue Code or Treasury Regulations promulgated thereunder.

Official Action Status Findings

In accordance with the vote of the Members of MassHousing dated June 11, 1996, staff makes the following Official Action Status findings for the proposed project:

1. WinnDevelopment Company Limited Partnership (“Developer”) has acceptable multifamily housing development experience and acceptable credit history.
2. The Developer has demonstrated an arms'-length evidence of site control either by an option agreement, a purchase and sale agreement, a deed, a contract of sale for the site, and/or other legal evidence of site control, with the land price and/or ground lease rent evident.
3. The proposed site of the Development is acceptable for the intended housing.
4. There is a need for the proposed housing in the community.

VOTED:

To approve the findings and determinations set forth below and to authorize (a) a permanent first mortgage loan in a principal amount of up to \$4,600,000.00, such first loan to be insured under the HUD HFA Risk Sharing Program; and (b) a subordinate equity bridge mortgage loan in a principal amount of up to \$22,257,000.00, in each case to be made to Stone Mill Redevelopment Limited Partnership or another single-purpose entity controlled by WinnDevelopment Company Limited Partnership (the “Borrower”) as owner of the multifamily residential development known as “Stone Mill” (the “Development”) and located in Lawrence, Massachusetts, and in accordance with the applicable general closing standards and delegations of authority previously approved, and further subject to (1) compliance with all applicable laws and all regulations and requirements of applicable financing programs, and (2) the following special conditions: N/A

FURTHER VOTED: That the amount of 4% Credits, as set by the Executive Director, the Vice President of Multifamily Programs, the Director of Rental Business Development, the Director of Rental Underwriting, the General Counsel or the designee of any of the foregoing, prior to loan closing, to be used in connection with the Development will not exceed the amount which is necessary for the financial feasibility of the Development and its viability as a qualified low-income housing project throughout the credit period, having taken into consideration:

- (a) the sources and uses of funds and the total financing planned for the Development;
- (b) any proceeds or receipts expected to be generated by reason of tax benefits;
- (c) the percentage of the tax credit amount used for Development costs other than the cost of intermediaries; and
- (d) the reasonableness of the developmental and operational costs of the Development, provided, however, that such determination shall not be construed to be a representation or warranty as to the feasibility or viability of the Development

FURTHER VOTED: To authorize the Executive Director, the Vice President of Multifamily Programs, the Director of Rental Business Development, the Director of Rental Lending, the Director of Rental Operations, the General Counsel or the designee of any of the foregoing, each acting singly, to set the amount of 4% Credits to be used in connection with the Development applying the standards set forth in the immediately preceding vote.

FURTHER VOTED: To authorize the Executive Director and the Vice President of Multifamily Programs, and their respective designees, each acting singly, to permit the Borrower to enter into, or assume, mortgage loans with third parties with respect to the Development, provided that (1) any such mortgage loans shall be subordinated to MassHousing's first mortgage loan, and other MassHousing debt as determined by the Executive Director or the Vice President of Multifamily Programs, and (2) such subordinate mortgage loans shall be subject to MassHousing's requirements pertaining to subordinate mortgages, in a manner acceptable to MassHousing's General Counsel or his designee.

STATUTORY FINDINGS AND DETERMINATIONS

Statutory Findings:

The Loan(s) will be financed under the provisions of Section 5 of MassHousing's enabling act, Chapter 708 of the Acts of 1966, as amended (the "Act"). Pursuant to Section 5(g) of the Act, staff makes the following findings for the proposed Development:

1. The affordability of rents for 20% of the units:

69 units (80%) in the Development will be affordable to low-income persons and families, as specified in the Act, at the adjusted rentals shown in the rent schedule below.

2. Shortage of Affordable Housing Units in the Market Area

The market needs data reflects the information available to A&M staff as of the date of collection July 6, 2022, and may not fully incorporate the potentially adverse impact(s) that the COVID-19 virus has had on the overall economy or on the local housing markets, since being declared a pandemic by the World Health Organization (WHO) in March 2020. Further, the reader is cautioned and reminded that any observations, comparisons, and/or conclusions are based on the data as of the collection date.

In-house data for larger market and mixed-income complexes (approximately 1,116 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 98.6%, and range between 97% and 99%. None of the comparables were offering concessions.

3rd Qtr. 2022 CoStar data for the subject's Lawrence/Haverhill submarket (9,293 units) has an overall vacancy rate at 2.2% YTD, which is a decrease of 2.0 % from one year ago. CoStar data for the Boston market (250,454 units) has an overall vacancy rate of 3.9% YTD, which is a decrease of 1.75% from one year ago. The Lawrence/Haverhill submarket vacancy rate is projected to increase to 5.2% over the next five years, while the Boston market is projected to increase to 5.0%.

CoStar, submarket data for the 4-5 Star building type (3,092 units) indicates a 3rd Qtr. 2022 vacancy rate of 2.6% and an average asking rent of \$2,102, while submarket data for the subject's 3 Star building type (2,802 units) indicates a 2nd Qtr. 2022 vacancy rate of 2.4% at an average asking rent of \$1,845- and 1-2-Star buildings (3,399 units) indicates a 3rd Qtr. 2022 vacancy rate of 1.5% at an average asking rent of \$1,537. The development with its amenities, more closely reflects the 3 Star building type, and is reflected in both the vacancy rate and market rent potential.

According to the Department of Housing and Community Development's (DHCD) Chapter 40B Subsidized Housing Inventory (12/21/20), the City of Lawrence has 27,092 year-round housing units, 4,017 (14.8%) of which are subsidized for low/moderate

income households.

In addition, the Lawrence Housing Authority (LHA) manages 1,056 Federally assisted units comprised of 546 family units and 510 elderly/disabled units. The family units are broken down as follows; 111 one-bedroom units, 266 two-bedroom units, 137 three-bedroom units and 32 four-bedroom units. Per the representative of LHA, the waitlist for the family units is as follows: 213 applicants for one-bedroom, 363 applicants for the two-bedroom units, 213 applicants for the three-bedroom units, and 78 applicants for the four-bedroom units. Regarding the federally assisted elderly/disabled units, the units are broken down as follows: 81 studios, 504 one- bedroom units, and 36 two-bedroom units. Per the representative of LHA, the waitlist is as follows: 1,526 applicants for the studios and one-bedroom units and 29 applicants for the two-bedroom units.

LHA also manages 522 State assisted units comprised of 451 family units and 71 elderly/disabled units. The family units are broken down as follows: 24 one-bedroom units, 247 two-bedroom units, 170 three-bedroom units and 10 four-bedroom units. Per the representative from LHA, the waitlist for the state-assisted family units are as follows: 902 applicants for one- bedroom, 1,525 applicants for two-bedrooms, 980 applicants for three-bedrooms, and 247 applicants for four-bedrooms. Lastly, LHA manages 71 state-assisted elderly/disabled one- bedroom units, and per LHA, there are 1,909 applicants on the waitlist.

Regarding Section 8 Housing Choice Vouchers, the Lawrence Housing Authority is authorized to administer 998 Section 8 vouchers. Per the representative of LHA, they participate in the Massachusetts Section 8 Housing Choice Voucher Centralized Waiting list and the anticipated wait time is from five to ten years.

U.S. Census data from the 2016-2020 American Community Survey (ACS) indicates that of the 26,551 households in the City of Lawrence, approximately 80.5% earned less than the HUD published 2022 AMI (\$114,000), 59.9% earned less than 50% of 2022 AMI, approximately 67.6% earned less than 60% of the 2022 AMI and approximately 74.9% earned less than 80% of the 2022 AMI.

3. Inability of Private Enterprise Alone to Supply Affordable Housing

MassHousing staff has completed an analysis of the market rate rents, as defined by Agency statute, which absent MassHousing financing, would be required to support the development and operations of the Development. Based on the substantial difference between these market rents (shown in the Rent Schedule below) and the rents for this project, MassHousing staff finds that private enterprise alone cannot supply such housing.

4. No Undue Concentration of Low-income Households

The financing herein proposed will change neither the current income mix of the Development nor that of its surrounding locality.

5. Elimination or Repair of Unsafe or Unsanitary Dwelling Units

As evidenced by data cited in Finding No. 2 above, there is an acute shortage of decent, safe, and sanitary housing available to low-income persons and families in the general housing market area of the Development. Although staff is not aware of units within the same market area that require demolition or compulsory repair, by preserving the affordable housing proposed here, those in need of affordable housing will not be forced to accept residence in substandard units. So long as the acute shortage of affordable housing persists, actions of public agencies to increase the supply of affordable housing will reduce the market forces that allow unsafe and unsanitary units to persist. In addition, MassHousing, through its administration of housing programs, and other public agencies (e.g., local enforcement of building codes), continue to require repair of substandard units as such units are identified.

Rental Determinations:

Pursuant to Section 6(a) of the Act, MassHousing makes the following rental determinations for units within the proposed Development

Rent Schedule:

| | | | |
|--|----------------|----------|----------|
| Number of Bedrooms | 1 | 2 | 3 |
| Number of Units | 50 | 28 | 8 |
| Net SF/Unit | 693 | 1,077 | 1,264 |
| Elev./Non-Elev. | Elevator | Elevator | Elevator |
| Market Rate Rent (10% Rate 20 Year Term) | \$1,397 | \$1,676 | \$1,948 |
| MHFA Below Market Rent (Cost-Based Rent) | \$1,194 | \$1,474 | \$1,745 |
| MHFA Adjusted Rent | 30% of 60% AMI | | |
| Underwriting Rents | | | |
| DHCD PBV 110% FMR | \$1,177 | \$1,526 | \$1,911 |
| LIHTC 30% AMI | \$566 | \$679 | - |
| LIHTC 60% AMI | \$1,213 | \$1,456 | \$1,687 |
| Unrestricted Market | \$1,284 | \$1,607 | \$1,768 |

Based on this information, MassHousing staff finds that a significant need exists for the type of development proposed here, that private enterprise alone cannot supply such housing, and that the

financing of the Development will not create or contribute to an undue concentration of low-income persons or adversely impact other housing in the area

Riverside Towers, Medford

Bill Dunn presented a proposal for Commitment of a Taxable Supplemental Loan for Riverside Towers.

Riverside Towers (the “Development”) was refinanced by MassHousing in 2016 through an FFB execution. In 2020, the Senior Housing Development was purchased by a partnership between Schochet Companies and Jonathan Rose Companies (collectively, the “Sponsor”). Proceeds from the supplemental financing proposed herein will fund repairs and unit upgrades as well as return equity to the Sponsor.

The Development is located along the Mystic River in the Glenwood neighborhood of Medford. The Development is sited on 2.47 acres and consists of a single high-rise building with two elevators. The main section of the building is 14-stories, while the west wing is 12-stories. Site amenities include on-site management office, community rooms, central laundry room, movie theater, billiard room, and picnic area. The Development includes 85 parking spaces.

Constructed in 1979, the Development originally included 200 units, of which 199 were revenue generating units reserved for senior households, and one unit designated as a non-revenue staff unit. As part of this transaction, the non-revenue unit will be converted to office space to accommodate the new resident services program.

A portion of the loan proceeds will fund an approximate \$9,200,000 scope of work. This includes but is not limited to unit kitchen and bath upgrades in approximately 140 units, HVAC improvements, electrical system modernization, common area upgrades and accessibility upgrades. Common amenity upgrades include a new medical suite, new salon, and a new pet wash area. In-unit work will be “day” work with residents needing to vacate their units in the morning and able to return in the evening. Funds for the work along with a contingency will be placed in escrow at closing. MassHousing will monitor the rehabilitation work and administer the escrow.

Affordability at the Development is through a Project-Based Section 8 HAP Contract (the “Contract”). All 199 of the revenue generating units benefit from rental subsidy provided by the Contract.

As part of this transaction, the Sponsor is implementing an increased resident services program. Hebrew Senior Life will partner with the Sponsor and provide the enhanced senior services. The services are primarily focused on health and wellness, and are supported by a part time Wellness Coordinator, Wellness Nurse, and a Fitness Instructor. With the increased services and scope of rehabilitation work, the Sponsor commissioned a Rent Comparability Study which indicated achievable rents above the Development’s current Contract. As such, the Sponsor submitted a Mark-Up-To-Market (“MUTM”) rent increase request to HUD. At closing, the current Contract will be terminated and a new MUTM contract with increased rents and a term of 20-years will be put in place.

Site control is fee simple through a Quitclaim Deed dated May 26, 2020

Chair Pinado asked if the entire project is senior housing and what level of services are provided. Staff confirmed that all units are restricted to senior and disabled occupants and noted that the project would provide significant resident services but not at a level that an assisted living facility might provide.

Upon a motion duly made and seconded, by roll call vote, it was by all Members present

VOTED: To approve the findings and determinations set forth below and to authorize a permanent subordinate mortgage loan in a principal amount of up to \$19,666,000, such loan to be uninsured, to be made to RAHF V / Schochet Riverside Towers, LLC (the “Borrower”) as owner of the multifamily residential development known as “Riverside Towers” (the “Development”) and located in Medford, Massachusetts, and in accordance with the applicable general closing standards and delegations of authority previously approved, and further subject to (1) compliance with all applicable laws and all regulations and requirements of applicable financing programs, and (2) the following special conditions:

1. The Borrower shall extend or enter into a new Disposition Agreement in connection with the modification of the Note to ensure a minimum term of 15 years from the date of the subordinate mortgage loan and shall execute such other documents and agreements as the Vice President of Multifamily Programs or General Counsel, acting singly, shall require.
2. The Borrower shall obtain the consent of any required partners, and any and all subordinate lenders, as necessary.

STATUTORY FINDINGS AND DETERMINATIONS

Statutory Findings:

The Loan(s) will be financed under the provisions of Section 5 of MassHousing’s enabling act, Chapter 708 of the Acts of 1966, as amended (the “Act”). Pursuant to Section 5(g) of the Act, staff makes the following findings for the proposed Development:

1. The affordability of rents for 20% of the units:

199 units (99%) in the Development will be affordable to low-income persons and

families, as specified in the Act, at rentals that do not exceed the adjusted rentals shown in the rent schedule below.

2. Shortage of Affordable Housing Units in the Market Area

Note: The market needs data reflects the information available to A&M staff as of the date of collection July 13, 2022 and may not fully incorporate the potentially adverse impact(s) that the ongoing COVID-19 virus may have on the overall economy or on the local housing markets. The global outbreak of the “novel coronavirus” known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO) on March 11, 2020. Further, the reader is cautioned and reminded that any observations, comparisons, and/or conclusions are based on the data as of the aforementioned collection date.

In-house data for larger market and mixed-income complexes (approximately 1,252 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 98.6%, and range between 98% and 100%. None of the comparable developments reviewed were offering a rental concession. The subject property has operated as an elderly restricted property since approximately 1980.

3rd Qtr. 2022 CoStar data for the subject’s Everett/Malden/Medford/Melrose submarket (10,927 units) has an overall vacancy rate at 5.7% YTD, which is an increase of 1.14% from one year ago. CoStar data for the Boston market (251,978 units) has an overall vacancy rate of 4.2% YTD, which is a decrease of 1.36% from one year ago. The Everett/Malden/Medford/Melrose submarket vacancy rate is projected to decrease to 7.0% over the next five years, while the Boston Market is projected to increase to 5.3%.

CoStar, submarket data for the 4-5 Star building type (5,700 units) indicates a 3rd Qtr. 2022 vacancy rate of 5.6% and an average asking rent of \$2,957 while submarket data for the subject’s 3 Star building type (1,992 units) indicates a 3rd Qtr. 2022 vacancy rate of 10.5% at an average asking rent of \$2,435- and 1-2-Star buildings (3,235 units) indicates a 3rd Qtr. 2022 vacancy rate of 2.7% at an average asking rent of \$1,824. The development with its amenities, more closely reflects the 3 Star building type, and is reflected in both the vacancy rate and market rent potential. According to the Department of Housing and Community Development's (DHCD) Chapter 40B Subsidized Housing Inventory (12/21/20), the city of Medford has 23,968-year-round housing units, 1,719 (7.2%) of which are subsidized for low/moderate-income households.

The Medford Housing Authority (MHA) owns/operates one State Elderly/Disabled property with a total of 144 one-bedroom of which 2 units are fully handicapped accessible. Per the representative of MHA, there are 1,964 applicants on the waiting list. MHA also owns/operates five Federal Elderly/Disabled properties with a total of 407 units, which consist of 382 one- bedroom units and 25 two- bedroom units, of which 19 are fully handicapped accessible. Per the representative there are 527 applicants on the one bedroom waiting list and 68 applicants on the two-bedroom waiting list. MHA also owns and operates two Federal family properties with a total of 290 units which consist

of 17 one-bedroom units, 159 two-bedroom units, 108 three- bedroom units and 6 four-bedroom units, of which 24 units are fully handicapped accessible.

Per the representative there are 127 applicants on the one-bedroom waiting list, 465 on the two- bedroom waiting list, 238 on the three-bedroom waiting list and 33 on the four-bedroom waiting list.

MHA also administers 987 Section 8 Housing Choice Vouchers. According to the representative, MHA participates in Massachusetts Centralized Section 8 Waiting list and according to the representative of MHA there are 209,667 applicants on the list of those applicants, 50 are Medford applicants. Lastly, MHA administers 15 Massachusetts Rental Vouchers (MRVP) and per the representative there are 79 applicants on the waiting list.

U.S. Census data from the 2016-2020 American Community Survey (ACS) indicates that of the 23,807 households in the City of Medford 70.4% earned less than the HUD published 2022 AMI (\$140,200), approximately 35.6% earned less than 50% of 2022 AMI, approximately 42.6% earned less than 60% of the 2022 AMI and approximately 56.4% earned less than 80% of the 2022 AMI.

3. Inability of Private Enterprise Alone to Supply Affordable Housing

MassHousing staff has completed an analysis of the market rate rents, as defined by Agency statute, which absent MassHousing financing, would be required to support the development and operations of the Development. Based on the substantial difference between these market rents (shown in the Rent Schedule below) and the rents for this project, MassHousing staff finds that private enterprise alone cannot supply such housing.

4. No Undue Concentration of Low-income Households

The financing herein proposed will change neither the current income mix of the development nor that of its surrounding locality.

5. Elimination or Repair of Unsafe or Unsanitary Dwelling Units

As evidenced by data cited in Finding No. 2 above, there is an acute shortage of decent, safe, and sanitary housing available to low-income persons and families in the general housing market area of the Development. Although staff is not aware of units within the same market area that require demolition or compulsory repair, by preserving the affordable housing proposed here, those in need of affordable housing will not be forced to accept residence in substandard units. So long as the acute shortage of affordable housing persists, actions of public agencies to increase the supply of affordable housing will reduce the market forces that allow unsafe and unsanitary units to persist.

In addition, MassHousing, through its administration of housing programs, and other public agencies (e.g., local enforcement of building codes), continue to require repair of substandard units as such units are identified.

Rental Determinations:

Pursuant to Section 6(a) of the Act, MassHousing makes the following rental determinations for units within the proposed Development:

Rent Schedule:

| | | |
|--|-------------------|----------|
| Number of Bedrooms | 1 | 2 |
| Number of Units | 161 | 38 |
| Net SF/Unit | 729 | 994 |
| Elev./Non-Elev. | Y | Y |
| Market Rate Rent (insert) | \$ 3,387 | \$ 3,917 |
| MHFA Below Market Rent (Cost-Based Rent) | \$ 3,070 | \$ 3,600 |
| MHFA Adjusted Rent | 30% of 60% of AMI | |
| Underwriting Rents | | |
| Section 8 Units | \$ 3,070 | \$ 3,600 |

Based on this information, MassHousing staff finds that a significant need exists for the type of development proposed here, that private enterprise alone cannot supply such housing, and that the financing of the Development will not create or contribute to an undue concentration of low- income persons or adversely impact other housing in the area.

Chelsea Village, Chelsea

Jeff Geller presented a proposal for Approval to accept assignment of a HUD-issued Firm Commitment for FHA insurance, Commitment of a first mortgage loan and Approval to finance the New Loan through the issuance of a Ginnie Mae MBS for Chelsea Village in Chelsea.

Chelsea Village (the “Development”) consists of 161 units for elderly and disabled tenants in one building in Chelsea. The proposed loan will provide funds to repay existing MassHousing debt, complete repairs, recapitalize replacement reserves, pay transaction costs, and provide equity to the Borrower.

The Development is located on a 2.4-acre site in Chelsea’s Admiral’s Hill neighborhood.

The immediate surroundings consist mostly of single- and multi-family residential buildings as well as retail and commercial uses. Medical services, public services, shopping, entertainment, and recreational opportunities are all easily accessible from the site. There is a bus stop adjacent to the Development and a Commuter Rail station less than a mile away.

The Development is a seven-story brick building. The 161 units include 140 one-bedroom unit and 21 two-bedroom units. The first level of the building, which is located at grade, contains the subject's mechanical areas as well as the on-site management office, the main lobby, the laundry room, and residential units. The community space is located on the seventh floor. There are 48 surface parking spaces in front of the building. The rear of the site contains green space and walkways.

The Development benefits from a Project-Based Section 8 HAP Contract (the "Contract") covering 160 of the 161 units. There is one non-revenue producing two-bedroom unit occupied by property management staff.

In connection with the proposed refinance, the Borrower will terminate the Contract and renew it for 20 years under HUD's Mark-Up-To-Market program. The new Contract will include a preservation tail equal to the remaining number of years on the current Contract (10), bringing the total affordability term to 30 years.

At closing, the MassHousing Disposition Agreement will be recorded ahead of the mortgage and will require 20% (32) of the units to be set-aside for households earning up to 80% of AMI. The Disposition Agreement will survive foreclosure with a minimum term of 15 years.

Site control is fee simple through a Quitclaim Deed dated November 10, 1981.

Upon a motion duly made and seconded, by roll call vote, it was by all Members present

VOTED: To approve the findings and determinations set forth below and to authorize the Massachusetts Housing Finance Agency ("MassHousing")(1) to accept the assignment from Rockport Mortgage Corporation of a HUD Firm Commitment to provide mortgage insurance through the Federal Housing Administration pursuant to Section 223(f) of the National Housing Act for a first mortgage loan in the approximate amount of \$28,456,100, or such other amount as evidenced in the HUD Firm Commitment, subject to the limitation that the final amount of such loan shall not be more than \$38,415,735 nor less than \$18,496,465 to Chelsea Elderly Housing Associates (the "Borrower") for Chelsea Village and (2) to make the FHA-insured first mortgage loan to the Borrower in the approximate amount of \$28,456,100 (the "New Loan"), subject to the limitation that the final amount of such loan shall not be more than \$38,415,735 nor less than \$18,496,465 on terms acceptable to MassHousing, and subject to

MassHousing's General Closing Conditions for loans made under MassHousing's MAP/Ginnie Mae Multifamily Joint Venture Lending Initiative approved by the Board on November 12, 2014.

FURTHER VOTED: That the Massachusetts Housing Finance Agency, acting through its officers duly authorized pursuant to the Government National Mortgage Association Resolution of Board of Directors and Certificate of Authorized Signatories approved by the Agency, is hereby authorized and directed to do all acts and things, and to execute and deliver any and all documents, certificates, securities and instruments necessary or desirable to effectuate the funding of a first mortgage loan insured by the U.S. Department of Housing and Urban Development, acting through the Federal Housing Commissioner, under Section 223(f) of the National Housing Act, to the Borrower for Chelsea Village.

STATUTORY FINDINGS AND DETERMINATIONS

Statutory Findings:

The Loan(s) will be financed under the provisions of Section 5 of MassHousing's enabling act, Chapter 708 of the Acts of 1966, as amended (the "Act"). Pursuant to Section 5(g) of the Act, staff makes the following findings for the proposed Development:

1. The affordability of rents for 20% of the units:

160 units (99.4%) in the Development will be affordable to low-income persons and families, as specified in the Act, at the adjusted rentals shown in the rent schedule below.

2. Shortage of Affordable Housing Units in the Market Area

The market needs data reflects the information available to A&M staff as of the date of collection July 11, 2022 and may not fully incorporate the potentially adverse impact(s) that the ongoing COVID-19 virus may have on the overall economy or on the local housing markets. The global outbreak of the "novel coronavirus" known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO) on March 11, 2020. Further, the reader is cautioned and reminded that any observations, comparisons, and/or conclusions are based on the data as of the aforementioned collection date.

In-house data for larger market and mixed-income complexes (approximately 1,057 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 96.82%, and range between 96.1% and 99%. One of the comparable developments reviewed was offering a rental concession of \$1,000 off select apartment homes. The subject property has operated as an elderly restricted property since approximately 1982.

3rd Qtr. 2022 CoStar data for the subject's East Boston/Chelsea submarket (5,694 units) has an overall vacancy rate at 9.4% YTD, which is an increase of 4.56% from one year ago. CoStar data for the Boston market (250,971 units) has an overall vacancy rate of 4.1% YTD, which is a decrease of 1.56% from one year ago. The East Boston/Chelsea submarket vacancy rate is projected to decrease to 6.5% over the next five years, while the Boston Market is projected to increase to 5.3%.

CoStar, submarket data for the 4-5 Star building type (3,515 units) indicates a 3rd Qtr. 2022 vacancy rate of 13.2% and an average asking rent of \$2,689 while submarket data for the subject's 3 Star building type (886 units) indicates a 3rd Qtr. 2022 vacancy rate of 4.5% at an average asking rent of \$2,232 and 1-2 Star buildings (1,293 units) indicates a 3rd Qtr. 2022 vacancy rate of 2.1% at an average asking rent of \$1,588. The development with its amenities, more closely reflects the 3 Star building type, and is reflected in both the vacancy rate and market rent potential.

According to the Department of Housing and Community Development's (DHCD) Chapter 40B Subsidized Housing Inventory (12/21/20), the City of Chelsea has 12,592 year-round housing units, 2,414 (19.2%) of which are subsidized for low/moderate income households.

Per the representative of the Chelsea Housing Authority, (CHA), the authority owns 3 State funded family public housing with 294 housing units comprised of 161 two-bedrooms units, 127 three-bedroom units, and 6 four-bedroom units with a total of 8,437 applicants on the waiting list. CHA also owns 2 State funded elderly/disabled public housing units with 266 one-bedroom units with a total of 2,900 applicants on the waiting list. Regarding Federal funded public housing, CHA owns 2 Federal funded family public housing developments with a total of 202 units comprised of 32 one-bedrooms, 85 two-bedrooms, 70 three bedrooms and 15 four bedrooms. There are 527 applicants of the waiting list. CHA also owns 1 Federal funded elderly/disabled public housing units with a total of 152 one-bedroom units with a total of 742 applicants on the waiting list. CHA also has been allocated 515 housing choice vouchers of which about 498 are being utilized. The total number of applicants on the waiting list is 422 Elderly family applicants and 892 family applicants.

U.S. Census data from the 2015-2019 American Community Survey (ACS) indicates that of the 13,268 households in the City of Chelsea approximately 82.7% earned less than the HUD published 2022 AMI (\$140,200), approximately 60.2% earned less than 50% of 2022 AMI, approximately 66.5 % earned less than 60% of the 2022 AMI, and approximately 74.5% earned less than 80% of the 2022 AMI.

3. Inability of Private Enterprise Alone to Supply Affordable Housing

MassHousing staff has completed an analysis of the market rate rents, as defined by Agency statute, which absent MassHousing financing, would be required to support the development and operations of the Development. Based on the substantial difference between these market rents (shown in the Rent Schedule below) and the rents for this project, MassHousing staff finds that private enterprise alone cannot supply such housing.

4. No Undue Concentration of Low-income Households

The financing herein proposed will change neither the current income mix of the Development nor that of its surrounding locality.

5. Elimination or Repair of Unsafe or Unsanitary Dwelling Units

As evidenced by data cited in Finding No. 2 above, there is an acute shortage of decent, safe, and sanitary housing available to low-income persons and families in the general housing market area of the Development. Although staff is not aware of units within the same market area that require demolition or compulsory repair, by preserving the affordable housing proposed here, those in need of affordable housing will not be forced to accept residence in substandard units. So long as the acute shortage of affordable housing persists, actions of public agencies to increase the supply of affordable housing will reduce the market forces that allow unsafe and unsanitary units to persist. In addition, MassHousing, through its administration of housing programs, and other public agencies (e.g., local enforcement of building codes), continue to require repair of substandard units as such units are identified.

Rental Determinations:

Pursuant to Section 6(a) of the Act, MassHousing makes the following rental determinations for units within the proposed Development:

Rent Schedule:

| | | |
|--|-------------------|---------|
| Number of Bedrooms | 1 | 2 |
| Number of Units | 140 | 21 |
| Net SF/Unit | 650 | 900 |
| Elev./Non-Elev. | Elev. | Elev. |
| Market Rate Rent | \$2,719 | \$3,184 |
| MHFA Below Market Rent (Cost-Based Rent) | \$1,935 | \$2,400 |
| MHFA Adjusted Rent | 30% of 80% of AMI | |
| Underwriting Rents | | |
| Project-Based Section 8 | \$1,935 | \$2,400 |
| 80% of AMI | \$1,935 | \$2,358 |
| Non-Revenue | \$0 | \$0 |

Based on this information, MassHousing staff finds that a significant need exists for the type of development proposed here, that private enterprise alone cannot supply such housing, and that the

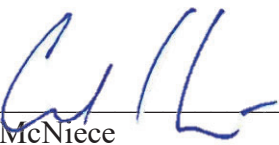
financing of the Development will not create or contribute to an undue concentration of low-income persons or adversely impact other housing in the area

Chair Pinado asked if there was any other old or new business for the Members' consideration. There was none.

There being no other old or new business, the meeting adjourned at 2:25 p.m.

A true record.

Attest.



Colin M. McNiece
Secretary