

**Minutes of the Regular Meeting  
of the Members of MassHousing  
held on  
September 13, 2022**

The regular meeting of the Massachusetts Housing Finance Agency – doing business as MassHousing - was held on September 13, 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  
                     Jerald Feldman  
                     Tom Flynn  
                     Carolina Avellaneda  
                     Mark Attia, Designee of Michael Heffernan, ex officio  
                     Michael Dirrane  
                     Carmen Panacopoulos  
                     Jennifer Maddox, ex officio

**Members  
Not  
Participating**

Patricia McArdle

**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 first thanked former Member Ping Yin Chai, whose term expired this month, for his service to the Board and welcomed new Member Carmen Panacopoulos. She 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, (with Carolina Avellaneda and Carmen Panacopoulos abstaining as they were not present at the previous meeting) it was, by all Members present:

**VOTED:**        That the minutes of the Regular Meeting held on August 9, 2022 are hereby approved and placed on record.

Jennifer Maddox joined the meeting following approval of the minutes.

## Executive Director's Report

Chrystal Kornegay began her report by introducing Carmen Panacopoulos, MassHousing's newest board member. Ms. Panacopoulos began her career at MassHousing and is currently the Senior Relationship Manager of Financial Institution Relations and Outreach for the Federal Reserve Bank of Boston.

Ms. Kornegay continued by discussing the legislation passed in December 2021. MassHousing is in line to receive \$65 million in ARPA funds which will be focused on helping homebuyers disproportionately impacted by COVID. MassHousing has been working with Massachusetts Housing Partnership to design a program and there will be a soft launch of that program today. Mounzer Aylouche will discuss this program in more detail at a future board meeting.

Ms. Kornegay next presented a Section 8 Performance-Based Contract Administration (PBCA) update. HUD's PBCA program partners with Public Housing Agencies to oversee the approximately 17,000 project-based Section 8 contracts. Currently, there are 53 PBCA administrators that provide day-to-day monitoring and oversight of most of HUD's project-based Section 8 contracts. Each state has at least one PBCA administrator. MassHousing has served as Massachusetts' PBCA administrator since 2000 and currently services 613 contracts totaling over 56,000 units. Of these contracts, 192 are also properties at which MassHousing holds the first mortgage.

In 2011, HUD issued an RFP to procure new PBCA administrators. MassHousing responded but was not a successful bidder. MassHousing subsequently challenged the award due to the fact that the proposed awardee was not a state-wide agency. As a result, the contract was never awarded and the contract with MassHousing continued.

In 2017, HUD issued a draft RFP for PBCA administrators. This solicitation contained a significant program change. HUD divided many of its regions into subregions resulting in many states not having a local PBCA administrator. HUD's 2017 solicitation would have resulted in one administrator for all 6 New England states. To prepare for that, MassHousing collaborated intensely with its sister PBCA administrators in New England to structure a partnership to respond to the RFP. HUD's draft solicitation received criticism from almost all interested PBCA stakeholders. HUD ultimately withdrew the draft RFP and continued extending MassHousing's PBCA contract.

In July 2022, HUD has again issued a draft RFP for PBCA administration. This draft RFP also proposes some significant program changes. HUD is proposing to move forward with the regional approach in this solicitation. In order to be deemed responsive, bidders must identify a sub-region or multiple regions to administer. In addition, and of major concern, the solicitation does not allow parties with financial interests in properties to be bidders. HUD is also proposing to directly administer certain aspects of the program while subcontracting other functions. Finally, HUD set the comment period for 30 days.

MassHousing has four primary concerns with the draft RFP which we have shared with our congressional delegation. Those concerns follow:

- Inadequate time and format for feedback
- Direct HUD administration
- Regionalization of PBCA responsibilities
- Seemingly excludes HFAs from bidding

MassHousing is working intensely with our sister PBCA administrators in New England as well as with the National Council of State Housing Agencies. As a result of our combined advocacy, HUD extended the comment period for an additional 30 days until September 28<sup>th</sup>.

Next steps in this process include submitting comments to HUD, continued intense work with sister New England PBCA administrators to develop a response to the potential RFP. MassHousing intends to respond in a structure that satisfies the RFP requirement related to regional PBCA requirements and we will continued to work the NCSHA.

Our staff, lead by Joe Hughes, meet regularly, as are the general counsels and executive directors of our sister New England PBCA administrators. This PBCA contract is very important to MassHousing.

Michael Dirrane also stated the PCBA contract is very important to MassHousing and asked how much the PBCA contract is worth and what percentage of income does it represent. Ms. Kornegay replied she would get that information.

Chair Pinado asked when the response is due to HUD. Ms. Kornegay replied it is a draft RFP so there is no due date for a proposal only an opportunity to comment on the draft by the end of the month. Mark Attia commented we have financial interest in these properties and asked if this is prohibited by an HFA for statewide public housing. MassHousing's standards have to be aligned and it seems you would want HFA's to have a stake. Carolina Avellaneda asked what drove that? Has a conflict hit the headlines. Ms. Kornegay replied she did not know.

Carmen Panacopoulos asked to what extent are we working with the NCSHA and what are they saying. Ms. Kornegay replied we are working very closely with the national council and noted that she is a member of their board. We will keep pushing forward. Not all HFA's feel as strongly as we do in New England and the NCSHA is balancing the interests of all its members.

Ms. Kornegay continued her report with a Workforce Housing Update. The goal of the Workforce Housing Program is to create rental housing affordable to households with incomes between 60% and 120% of AMI. Funding is provided to developments in the form of subordinate debt with an affordability restriction in place for a minimum of 15 years.

The Workforce Housing Program was started in 2016 to increase the supply of housing that serves cost-burdened middle-income households. To date, \$136,200,000 has been allocated to the Workforce Housing Program.

We are still waiting on the Economic Development Bill which did not get out of conference committee. If it does pass, it would result in some funds for this program. Developers continue

to structure deals that contemplate Workforce units and Workforce funds. MassHousing is tracking an additional 23 early-phase Workforce developments, totaling \$56.26 million in demand.

Since the inception of the initiative in 2016, MassHousing has committed or closed workforce housing financing totaling \$152.3 million to 73 projects located in 27 cities and towns. These funds have advanced the development of 5,765 housing units across a range of incomes, including 1,566 middle-income workforce units in committed/closed deals.

Mike Dirrane commented workforce housing is incredibly important for development in Boston. Ms. Panacopoulos congratulated MassHousing on the program and commented this type of housing is incredibly important for teachers and hospital workers. Ms. Panacopoulos noted the significance of the this program in narrowing the racial wealth gap and asked if there was data on the residential demographics of the participants. Ms. Kornegay responded that level of detail is not available.. Mark Attia said he is optimistic and hopeful that the economic development bill will pass.

### **Vote to Transfer Funds to CCRI**

Rachel Madden presented a proposal to transfer a 2022 grant received from the Federal Home Loan Bank of Boston (“FHLBB”) in the amount of \$100,000 (the “Grant”) to fund the Sober Housing Initiative.

The Grant is part of the Helping to House New England, an affordable housing assistance program available to the six New England HFA’s that MassHousing has participated in for several years. The Grant is proposed to fund the Sober Housing Initiative as follows:

**Sober Housing Initiative** - The Center for Community Recovery Innovations, Inc. (“CCRI”), a nonprofit subsidiary corporation of MassHousing, promotes affordable sober housing and support services in the Commonwealth of Massachusetts (the “Sober Housing Initiative”). MassHousing intends to use the 2022 Grant to fund the Sober Housing Initiative.

The eligible projects under the Sober Housing Initiative are expected to increase or improve the stock of affordable sober housing in Massachusetts, by providing (i) a down payment to acquire property to be developed as affordable sober housing, (ii) renovation funds needed to preserve affordable sober housing, or (iii) support to affordable sober housing and communities.

Eligible projects must also meet affordability requirements for extremely low-income persons, e.g., those earning under 30% of Area Median Income (AMI), and/or those paying 30% of their monthly income toward rent at initial occupancy.

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

**VOTED:** To authorize MassHousing’s expenditure of the Federal Home Loan Bank of Boston’s Helping to House New England program funds for calendar year 2022, in the amount of \$100,000, to fund The Center for Community Recovery Innovations, Inc.’s Sober Housing Initiative described herein.

**FURTHER  
VOTED**

To authorize the Executive Director, Financial Director, and General Counsel, each acting singly, to execute and deliver any and all contracts and other documents, and to take, or direct that Agency staff take, such other actions, necessary or advisable to effectuate the foregoing.

**Loan Committee**

Mark Teden noted that the Mill Pond Apartments development included on the agenda would not be presented. A HUD approval was received earlier and the borrower requested the Agency lock the interest rate. Because the transaction met the required parameters, the commitment was approved under the delegated authorities previously granted by the Board.

**Clarendon Hill, Building E, Somerville**

Sarah Hall presented a proposal for Commitment of Tax-Exempt Permanent Loan, Commitment of Tax-Exempt Equity Bridge Loan, Commitment of Workforce Housing Subordinate Loan, Commitment of Subordinate Loan and Approval for the Use of 4% Tax Credits for Clarendon Hill, Building E, in Somerville.

Clarendon Hill Apartments is an existing 216-unit state public housing development owned by the Somerville Housing Authority (the “SHA”). In 2016, SHA issued a request for proposals to redevelop the Development using DHCD’s Partnership to Expand Housing Opportunities (“PEHO”) program, which offers funding to support increased density and new mixed-income housing units on state public housing sites.

Preservation of Affordable Housing, LLC (“POAH”), in partnership with Somerville Community Corporation (“SCC”) and Gate Residential, was the successful respondent to that RFP, and proposes to replace all of the existing 216 public housing units and to add Workforce and market-rate housing, resulting in a total of 591 units. The redevelopment will occur in three phases of which the Building E (the “Development”) will be the first. The Development will be completed by POAH and SCC and will consist of the demolition of 144 existing public housing units and the creation of 168 newly-constructed units, of which 92 will be replacement public housing. Additional phases will be developed jointly by POAH and SCC, while Gate Residential will build one phase independently.

Clarendon Hill Apartments is located in the Teele Square neighborhood, near Somerville’s border with Arlington. The existing development consists of nine 3-story buildings, all of which will be demolished as part of the proposed redevelopment. The Clarendon Hill, Building E portion of the site has .81 acres and is within easy walking distance of green space, a bike path, a supermarket, and Tufts University, and other local services and retail opportunities.

The first phase will be built with modular construction. All 168 units will be in a single nine-story building, which will also have a management office, common kitchen, fitness room, and roof deck, among other amenities.

All 168 units will be subject to a tax credit restriction at a range of income tiers. Thirty-eight units will be income-restricted to households at or below 50% of AMI and subsidized by project-based vouchers administered by the Somerville Housing Authority. Ninety-two units (22 income-restricted at 30% of AMI, 41 income-restricted at 50% of AMI, and 29 income-restricted at 60% of AMI) will benefit from state public housing operating subsidy from DHCD (please see Section 12.2—Underwriting Notes) and the remaining 38 units will be workforce housing and tax credit units restricted at 80% of AMI.

The SHA is the current owner and manager of the property and has entered into a memorandum of understanding with the joint venture consisting of POAH, Gate Residential, and SCC. At closing, the SHA will ground lease the Building E portion of the site to the borrower entity for the upfront capital payment of \$1,587,000 and no annual rent payments for 99 years.

Carolina Avellaneda asked if the entire development is modular and whether the current residents will be relocated and have the option to return? Ms. Hall noted that the residential units are modular and remaining is standard construction. She explained that residents will be relocated and have the option to return and noted the relocation plan had been thoughtfully done.

Tom Flynn asked how many residents are currently living there and will the project be phased. Ms. Hall explained that there are currently 216 units, all of which are state public housing units, and that the overall project would be in several phases resulting in a total of 591 units consisting of 216 replacement public housing units, 80 additional affordable units, and 295 market units.

Carmen Panacopoulos asked about the borrower's total exposure and capacity. Ms. Hall noted that the sponsor has a healthy pipeline of projects and staff have completed a mortgage credit review and believe the borrower has adequate capacity.

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) a permanent first mortgage loan in a principal amount of up to \$24,000,000, 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 \$30,700,000, in each case to be made to POAH Clarendon, LLC or another single-purpose entity controlled by Preservation of Affordable Housing, LLC (the "Borrower") as owner of the multifamily residential development known as "Clarendon Hill, Building E" (the "Development") and located in Somerville, 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 multifamily development located in Somerville, Massachusetts and known as "Clarendon Hill, Building E" (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 Management, 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:**

All 168 units (100%) 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 June 23, 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 958 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 96.2%, and range between 94.7 % and 99%. One of the comparables was offering a rental concession of one month free.

2nd Qtr. 2022 CoStar data for the subject's Somerville/Charlestown Submarket (5, 230 units) has an overall vacancy rate at 9.2% YTD, which is a decrease of 1.04% from one year ago. CoStar data for the Boston market (249,897 units) has an overall vacancy rate of 4.2% YTD, which is a decrease of 2.05 % from one year ago. The Somerville/Charlestown Submarket vacancy rate is projected to decrease to 6.8 % over the next five years, while the Boston market is projected to increase to 5.1%.

CoStar, submarket data for the Somerville/Charlestown 4-5 Star building type (3,056 units) indicates a 2nd Qtr. 2022 vacancy rate of 13.8 % and an average asking rent of \$3,262, while submarket data for the subject's 3 Star building type (1,189 units) indicates a 2nd Qtr. 2022 vacancy rate of 2.5% at an average asking rent of \$2,453 and 1-2 Star buildings (985 units) indicates a 4thQtr. 2021 vacancy rate of 3.2% at an average asking rent of \$1,916. 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.

Per the representative of the Somerville Housing Authority, (SHA) they own/manage, 215 units of Federal Family housing consisting of 22 one-bedrooms, 94 two-bedrooms, 71 three-bedrooms, 24 four bedrooms and 4 five-bedrooms. There are 1,108 applicants on the Federal family waiting list, broken down as follows: 368 one-bedrooms, 253 two-bedrooms, 407 three-bedrooms, 65 four-

bedrooms and 15 five-bedrooms. They also have 369 one- bedroom units of Federal Elderly housing and there are 2,526 applicants on that waiting list. Regarding State funded housing, SHA owns/manages 459 State Family housing consisting of 33 one-bedrooms, 247 two-bedroom, 177 three-bedrooms, 1 4-bedroom and 1 five-bedrooms. There are 1,121 applicants on the State Family waiting lists broken down as follows: 344 one-bedrooms, 454 two-bedrooms, 231 three-bedrooms, 80 four-bedrooms and 12 -five bedrooms. They also have 274 State Elderly Units consisting of 261 one-bedrooms, 4 two-bedrooms and 3 three-bedrooms. There are 1,110 applicants on that waiting list consisting of 1,024 one- bedroom, 85 two- bedrooms and 1 three-bedroom. They also administer 1197 HCV vouchers and 112 Mainstream vouchers and per the representative there are 219,211 applicants on the centralized Section 8 waitlist.

According to the Department of Housing and Community Development's (DHCD) Chapter 40B Subsidized Housing Inventory (12/21/20), the City of Somerville has 33,362 year-round housing units, 3,250 (9.7%) of which are subsidized for low/moderate income households.

U.S. Census data from the 2016-2019 American Community Survey (ACS) indicates that of the 32,802 households in the City of Somerville approximately 70.0% earned less than the HUD published 2022 AMI, approximately 34.9% earned less than 50% of 2022 AMI, approximately 41.9 % earned less than 60% of the 2022 AMI, and approximately 55.8% 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	1	2	3
Number of Units	41	121	6
Net SF/Unit	662	864	1,200
Elev./Non-Elev.	Y	Y	Y
<b>Market Rate Rent</b> (insert)	\$5,214	\$5,079	\$5,549
<b>MHFA Below Market Rent</b> (Cost-Based Rent)	\$3,342	\$3,207	\$3,677
<b>MHFA Adjusted Rent</b>	30% of 60% of AMI		
<b>Underwriting Rents</b>			
State Public Housing - 30% of AMI	\$1,068	\$1,068	\$1,068
State Public Housing - 50% of AMI	-	\$1,068	-
State Public Housing - 60% of AMI	\$1,068	\$1,068	\$1,068
PB Section 8 - 50% of AMI	\$2,185	\$2,639	\$3,263
80% of AMI	\$1,998	\$2,398	\$2,770

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.

**Westland Avenue Apartments, Boston (Fenway)**

Jeff Geller presented a proposal for Commitment of a Taxable Permanent Loan for Westland Avenue Apartments in Boston.

Fenway Community Development Corporation (“Fenway CDC” or the “Sponsor”) originally acquired and renovated Westland Avenue Apartments (the “Development”) in 2005 with tax- exempt financing from MassHousing. At the end of the tax credit compliance period, Fenway CDC purchased the tax credit investor’s limited partner interests, and the investor exited the partnership. Subsequently, Agency members approved a Level One Transfer of Ownership to a newly formed affiliate of Fenway CDC, New Fenway Westland LLC (the

“Borrower”) in March 2021. Fenway CDC issued a Request for Proposals for a new permanent loan in June 2021 with the goal of lowering the interest rate, paying down a portion of the DHCD and City of Boston Mayor’s Office of Housing (“MOH”) subordinate debt, capitalizing the replacement reserves, and accessing equity. Fenway CDC intends to use equity from this transaction to refund purchase of the investor’s interests and to further their mission. After a competitive search, Fenway CDC selected MassHousing as the lender in March 2022.

The Development consists of four non-contiguous buildings on both sides of Westland Avenue in Boston’s Fenway neighborhood. MBTA Green Line and bus service are available at the Symphony station and on both Massachusetts and Huntington Avenues, all within two blocks of the site.

The masonry buildings range in height from three to five stories and were originally constructed in the early 1900s. Unit sizes range from studios to four-bedrooms. Two of the buildings, 66 and 72-78 Westland Avenue, contain 30 units and 46 units respectively and include elevators. 65-67 Westland Avenue contains 16 units, while 83 Westland Avenue consists of five units. Fenway CDC upgraded the kitchens, bathrooms, windows, and heating systems at the time of the 2005 acquisition.

Of the 97 total units, 61 are subject to income restrictions; 30 units benefit from a Project Based Section 8 contract and are restricted to households earning no more than 50% of area median income (AMI), 19 units are restricted at 60% of AMI, and twelve (12) units are restricted at 80% of AMI. Thirty-five (35) units are unrestricted with market rate rents, and one is a non-revenue employee unit. A substantial portion of the units are historically and currently occupied by mobile Section 8 voucher holders. See Sections 7 and 12 for further detail.

Site control post-closing will be fee simple. The Borrower currently ground leases the land underneath the Development from an affiliate of the Sponsor. As part of the transaction, the affiliate will convey ownership of the land to the Borrower and terminate the ground lease.

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 first mortgage loan in a principal amount of up to \$22,000,000, such first loan to be insured under the HUD/FFB Risk Sharing Program, to be made to New Fenway Westland LLC or another single-purpose entity controlled by Fenway Community Development Corporation (the “Borrower”) as owner of the multifamily residential development known as Westland Avenue Apartments (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.

**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:**

Forty-seven units (48%) 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 July 11, 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 1,730 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 97.66%, and range between 93% and 100%. One of the comparables reviewed was offering a rental concession of one-month free rent. The property has operated as a Mixed Income and Section 8 and the average vacancy rate for the past five years is 3.6%

3rd Qtr. 2022 CoStar data for the subject's Fenway/Mission Hill Submarket (10,530 units) has an overall vacancy rate at 2.7 % YTD, which is a decrease of 1.49% 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 1.46 % from one year ago. The Fenway/Mission Hill Submarket vacancy rate is

projected to increase to 5.3% 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 (2,501 units) indicates a 3rd Qtr. 2022 vacancy rate of 5.0 % and an average asking rent of \$4,212, while submarket data for the subject's 3 Star building type (5,416 units) indicates a 3rd Qtr. 2022 vacancy rate of 2.4% at an average asking rent of \$2,941 and 1-2 Star buildings (2,613 units) indicates a 3rd Qtr. 2022 vacancy rate of 1.3% at an average asking rent of \$2,592. 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 2016-2021 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 2022AMI, and approximately 60.1 %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	0BR	1BR	2BR	3BR	4BR
Number of Units	6	26	49	12	3
Net SF/Unit	471	687	946	1256	1809
<b>Market Rate Rent</b> (10% Rate 20 Year Term)	\$3,124	\$3,112	\$3,848	\$4,930	\$5,156
<b>MHFA Below Market Rent</b> (Cost-Based Rent)	\$1,954	\$1,942	\$2,677	\$3,760	\$3,986
<b>MHFA Adjusted Rent</b>	30% of 60% of AMI				
<b>Underwriting Rents</b>					
Project-Based Section 8	\$2,457	\$2,867	\$3,633	\$4,772	\$5,556
60% AMI	\$1,200	\$1,141	\$1,408	\$2,094	-
80% AMI	-	\$1,723	\$2,109	\$2,322	\$2,801
Mobile Voucher	\$1,577	\$1,555	\$2,670	\$2,252	-
Market	\$-	\$1,881	\$2,779	\$3,703	\$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.

### **Blue Mountain Apartments, Boston (Dorchester)**

Mike Carthas presented a proposal for Commitment of Tax-Exempt Supplemental Bridge Loan and Approval for the Use of Low-Income Housing Tax Credits for Blue Mountain Apartments in Dorchester.

On September 10, 2019, the Agency approved (i) a construction/permanent first mortgage and (ii) an acquisition loan to affiliates of The NHP Foundation (“NHP” or the “Sponsor”) for the acquisition and rehabilitation of Blue Mountain Apartments (the “Development”), a 217-unit multifamily scattered-site development in the Dorchester neighborhood of Boston. The structure of the transactions included separate affiliated owners for the land and the building, with a long-term ground lease between the two.

Originally committed in the amount of \$49,560,000, in December 2019, the construction/permanent first mortgage was further increased to \$52,250,000 through approval by the Agency members. The construction/permanent first mortgage included a tax-exempt tranche (\$49,200,000), as well as a taxable tranche (\$3,050,000). The tax-exempt portion was sized to allow the Development to satisfy the Internal Revenue Code’s (“IRC”) “50% Test.”

Since the start of rehabilitation in 2020, the Development has encountered cost overruns related to significant unforeseen conditions. These conditions include additional in-unit electrical work resulting from the discovery of aluminum wiring in multiple buildings and the subsequent relocation of tenants, along with supply chain disruptions, and overall construction delays. As a result, the total development cost increased, and the total approved tax-exempt proceeds have been determined to be insufficient to meet the “50% Test.”

In addition to securing additional tax-exempt debt to satisfy the “50% test,” the Sponsor also seeks to benefit from the recent “fix” to the credit rate for 4% LIHTC transactions. This will provide additional tax-exempt equity as a permanent source to the transaction. As such, the Sponsor has requested an additional Tax-Exempt Supplemental Bridge Loan from MassHousing of up to \$6,000,000.

Aside from work completed to address unforeseen issues, the development plan is consistent with what was presented and approved in 2019. Rehabilitation is approximately 85% complete with the current schedule indicating completion by year end.

Currently, the Owner is funding cost overruns through an unsecured loan from its Managing Member to allow for the construction to continue uninterrupted. The inclusion of the Tax- Exempt Supplemental Bridge Loan serves two purposes: (i) provide tax-exempt debt sufficient for the Development to meet the “50% Test” and (ii) provide tax-exempt debt in an amount sufficient to allow the Development to benefit from the fixed credit pricing for 4% LIHTC transactions thereby facilitating additional tax credit equity as part of the permanent solution to address the overall financing gap.

To effectuate this financing plan, the Agency will provide a supplemental bridge loan that will be secured by cash collateral to be held and administrated by a trustee. The Sponsor will fund the



cash collateral prior to any draws under from the Bridge Loan with funds from various funding sources being arranged.

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) a tax-exempt supplemental bridge loan (cash collateralized) in a principal amount of up to \$6,000,000.00, to be made to Blue Mountain Owner LLC (the “Borrower”) as owner of the multifamily residential development known as “Blue Mountain Apartments” (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: 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.

## 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:*

At least 20% of the units 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 August 23, 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 480 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 98.6%, and range between 95% and 100%. None of the six comparables reviewed was offering rental concessions.

3<sup>rd</sup> Qtr. 2022 CoStar data for the subject's Roxbury/Dorchester Submarket (7,261 units) has an overall vacancy rate at 2.1 % YTD, which is decrease of 1.65% from one year ago. CoStar data for the Boston market (248,132 units) has an overall vacancy rate of 4.2% YTD, which is a decrease of 1.02% from one year ago. The Roxbury/Dorchester Submarket vacancy rate is projected to increase to 5.3% 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 (1,913 units) indicates a 3<sup>rd</sup> Qtr. 2022 vacancy rate of 4.2 % and an average asking rent of \$2,986, while submarket data for the subject's 3 Star building type (2,858 units) indicates a 3<sup>rd</sup> Qtr. 2022 vacancy rate of 1.3 % at an average asking rent of \$2,638- and 1-2-Star buildings (2,490 units) indicates a 3<sup>rd</sup> Qtr. 2022 vacancy rate of 1.5% at an average asking rent of \$1,601. 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 2016-2021 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 (140,200), approximately 46.9% earned less than 50% of 2022 AMI, approximately 53 % earned less than 60% of the 2022 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 will not lead to the undue concentration of low-income households. Although it is a low-income development, the buildings are located adjacent to market-rate developments and are in areas that include a mix of residential and retail uses.

*(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	4	5
Number of Units	105	73	18	16	5
Net SF/Unit	491	1045	1145	1256	1356
Elev./Non-Elev.	Non	Non	Non	Non	Non
<b>Market Rate Rent</b>	\$4,679	\$5,579	\$6,279	\$7,154	\$8,129
(10% Rate 20 Yr. Term)					
<b>MHFA Below Market Rent</b>	\$2,484	\$3,384	\$4,084	\$4,959	\$5,934
(Cost-Based Rent)					
<b>MHFA Adjusted Rent</b>	30% of Income				
<b>Underwriting Rents</b>					
Section 8 Project-Based	\$1,750	\$2,650	\$3,350	\$4,225	\$5,200

\*Underwritten rents units are net of utility allowances.

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.

**St. Mary’s Plaza, Lynn**

Greg Watson 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 St. Mary’s Plaza in Lynn.

St. Mary’s Plaza (the “Development”) consists of 99 units for seniors and disabled tenants in two buildings in Lynn. 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 1.47 acres of land in the downtown area of Lynn. The site is primarily surrounded by commercial, retail, and residential uses, with good access to public services, shopping, entertainment, medical services, and recreational opportunities. This location

also offers many transportation options with service to downtown Boston and the surrounding communities.

The property was originally utilized as a 3-story school situated on the St Mary's campus until 1981 when the existing school was adapted for use as a multifamily development, along with the new construction of an additional 7-story residential building. The Development consists of 99 units, of which 94 are one-bedroom units and 5 are two-bedroom units. The Development features two community rooms, two community kitchens, game room, laundry rooms and a management office.

The Development benefits from a Project-Based Section 8 HAP Contract (the "Contract") covering 98 of the 99 units. There is one non-revenue producing one-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 (5), bringing the total affordability term to 25 years.

At closing, the MassHousing Disposition Agreement will be recorded ahead of the mortgage and will require 20% (20) 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.

As part of this transaction, ownership will be transferred from the current non-profit owner, St. Mary's Plaza, Inc. to a newly formed for-profit single-asset mortgagor, St. Mary's Plaza Limited Partnership, controlled by the current owner. This is a typical approach for a refinancing with non-profit owners as it allows them to access equity and surplus cash.

Chair Pinado asked if this was an occupied rehab. Mr. Watson responded, yes, but given the scope of work it is more a refinancing than a rehab.

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

**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 \$13,648,750, 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 \$18,425,813 nor less than \$8,871,688 to St. Mary's Plaza Limited Partnership (the "Borrower") for St. Mary's Plaza and (2) to make the FHA-insured first mortgage loan to the Borrower in the approximate amount of \$13,648,750 (the "New Loan"), subject to the limitation

that the final amount of such loan shall not be more than \$18,425,813 nor less than \$8,871,688 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 St. Mary's Plaza.

**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:**

98 units (99%) 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 August 15, 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 2,179 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 98%, and range between 93%

and 100%. None of the comparables were offering concessions. The subject property has operated as Section 8 elderly development and the average vacancy over the last 5 years is 2.46%. My review of similar mixed income/subsidized portfolio properties (723 units) demonstrated a weighted average vacancy rate of approximately 1.07%

3rd Qtr. 2022 CoStar data for the subject's Route 1 Multi-Family Submarket (11,358 units) has an overall vacancy rate at 5.0% YTD, which is a decrease of 2.78% from one year ago. CoStar data for the Boston market (253,310 units) has an overall vacancy rate of 4.30% YTD, which is a decrease of .83 % from one year ago. The Route 1 Multi-Family Submarket vacancy rate is projected to increase to 7.2% over the next five years, while the Boston market is projected to increase to 5.4%.

CoStar, submarket data for the Route 1 Multi-Family Submarket 4-5 Star building type (5,316 units) indicates a 3rd Qtr. 2022 vacancy rate of 7.1 % and an average asking rent of \$2,699, while submarket data for the subject's 3 Star building type (3,085 units) indicates a 3rd Qtr. 2022 vacancy rate of 3.5% at an average asking rent of \$1,967 and 1-2 Star buildings (2,957 units) indicates a 3rd Qtr. 2022 vacancy rate of 2.6% at an average asking rent of \$1,444. 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. Per the representative of the Lynn Housing Authority, (LHA) they own/manage, the following, 353 State Elderly Units with 2,120 applicants on the waiting list, they also manage 38 state subsidized family units and there are 589 applicants on the waiting list. Regarding Federal subsidized housing, they manage 176 elderly units and there are 1353 applicants on the waiting list, and they also manage 279 federally subsidized family units and there are 796 applicants on the waiting list. They also administer 1,407 Housing Choice Vouchers and per the representative there are 687 applicants on the waiting list.

According to the Department of Housing and Community Development's (DHCD) Chapter 40B Subsidized Housing Inventory (12/21/20), the City of Lynn has 35,701 year-round housing units, 4,307 (12.1%) of which are subsidized for low/moderate income households.

U.S. Census data from the 2016-2020 American Community Survey (ACS) indicates that of the 33,261 households in the City of Lynn approximately 80.7% earned less than the HUD published 2022 AMI (140,200), approximately 56.5% earned less than 50% of 2022 AMI, approximately 62.5% earned less than 60% of the 2022 AMI, and approximately 71.5% 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	94	5
Net SF/Unit	500	790
Elev./Non-Elev.	Elev.	Elev.
<b>Market Rate Rent</b>	\$2,531	\$2,886
<b>MHFA Below Market Rent</b>		
(Cost-Based Rent)	\$1,870	\$2,225
<b>MHFA Adjusted Rent</b>	30% of 80% of AMI	
<b>Underwriting Rents</b>		
Project-Based Section 8	\$1,870	\$2,225
80% of AMI	\$1,870	\$2,225
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. She reminded the members that next month is the annual meeting and noted that if any Member is interested in particular committee assignments or officer positions to please let her know.

There being no other old or new business, the meeting adjourned at 3:01 p.m.

A true record.

Attest.



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Colin M. McNiece  
Secretary