

**Minutes of the Regular Meeting
of the Members of MassHousing and a
Special Meeting of the
Center for Community Recovery Innovations, Inc. (CCRI)
held on
November 8, 2022**

The regular meeting of the Massachusetts Housing Finance Agency – doing business as MassHousing – and a Special Meeting of the Center for Community Recovery Innovations, Inc. (CCRI) was held on November 8, 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
 Patricia McArdle

**Members
Not
Participating**

None

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 of all the present Members, it was:

VOTED: That the minutes of the Annual Meetings held on October 11, 2022 are hereby approved and placed on record.

Votes Related to Capital Magnet Fund (“CMF”) Award

Christopher Burns, Senior Manager of Technical Services, presented votes related to the Capital Magnet Fund (“CMF”) Award.

The Community Development Financial Institutions Fund (“CDFI”) was established with a mission to expand economic opportunity for underserved people and communities and to promote economic revitalization and community development. CDFI achieves its purpose through a number of initiatives promoting access to capital, including through its Capital Magnet Fund (“CMF”) which offers competitively awarded grants to finance affordable housing for low-income individuals and communities.

MASSHOUSING CMF AWARD HISTORY

MassHousing submitted its first application to participate in the CMF program during the FY 2019 award cycle and, to date, has been granted an award by the CMF in each of the following three award cycles:

- **FY 2019 CMF Award:** CMF award of \$2,250,000 to MassHousing for its Homeownership division (“FY 2019 CMF Award”), which was committed to provide subordinate down payment assistance loans under the MassHousing Workforce Advantage 2.0 Program.
- **FY 2020 CMF Award:** CMF award of \$5,800,000 (“FY 2020 CMF Award”). Pursuant to a vote of the Members on June 8, 2021, MassHousing allocated:
 - \$1,377,500 to its Homeownership division to provide subordinate down payment assistance loans under the MassHousing Workforce Advantage 2.0 Program (“FY 2020 Homeownership Award”),
 - \$4,132,500 to its Multifamily division to provide subordinate loans to multifamily housing developments (“FY 2020 Multifamily Award”), and
 - \$290,000 to be applied to direct administrative expenses, as permitted under the terms of the Assistance Agreement.
- **FY 2021 CMF Award:** CMF award of \$12,000,000 CMF award (“FY 2021 CMF Award”).

FY 2021 CMF AWARD ALLOCATION & PROPOSED FY 2020 CMF AWARD REALLOCATION

A. FY 2021 CMF Award Allocation.

Pursuant to the terms of the FY 2021 Capital Magnet Funds Assistance Agreement dated as of October 14, 2022 between MassHousing and CDFI (the “FY 2021 Assistance Agreement”), MassHousing was recently granted a \$12,000,000 CMF award. The FY 2021 Assistance

Agreement permits MassHousing to use the grant funds on designated affordable housing initiatives from MassHousing's CMF grant application, which include subordinate multifamily gap financing and for utilization in MassHousing's homeownership Commonwealth Builder Program. However, at this time, due to the significant need for multifamily gap financing and the recent awards to capitalize the Commonwealth Builder Program (including \$115 million in ARPA funds) which were unanticipated at the time of MassHousing's CMF grant application, MassHousing intends to utilize the FY 2021 CMF Award to provide subordinate loans to multifamily developments that have a current gap in their financing.

B. FY 2020 CMF Award Reallocation.

Additionally, MassHousing staff recommends a reallocation of the \$1,377,500 FY 2020 Homeownership Award described above to its Multifamily division. Since its application to CMF for the FY 2019 and FY 2020 CMF Awards, MassHousing's Homeownership division has received several new unanticipated sources of down payment assistance and subordinate financing, including ARPA funds for the newly created MassDreams program. The CMF awards carry a relatively short timeline (five years) for full disbursement, or there will be forfeiture of the funds, and while Homeownership has disbursed approximately one-third of the FY 2019 CMF Award, Homeownership has yet to disburse any portion of the FY 2020 Homeownership Award. To ensure full timely disbursement and compliance with the CMF award requirements, and in light of the increased significant need for subordinate multifamily gap financing, MassHousing staff recommends that the FY 2020 Homeownership Award be reallocated to its Multifamily division, designated as the "FY 2020 Additional Multifamily Award" and deposited into the Opportunity Fund to be utilized in providing subordinate loans to multifamily developments that have a current gap in their financing.

The Vice President of Multifamily Programs has established a staff loan review committee (the "CMF Multifamily Staff Review Committee") that is comprised of MassHousing senior staff from multiple departments, including Rental Business, Rental Underwriting, Rental Management, Legal, Finance, Governmental Affairs, Communications & Policy, and Community Services. The CMF Multifamily Staff Review Committee will review and recommend loans for acceptance by the Vice President of Multifamily Programs and ensure that the FY 2021 CMF Award and FY 2020 Additional Multifamily Award are committed and disbursed to developments that comply with the CMF Eligible-Income requirements. Additionally, the committee will provide oversight to ensure that the expenditure and utilization of the FY 2021 CMF Award and FY 2020 Additional Multifamily Award complies with the respective Assistance Agreements and CMF requirements relating to multifamily loans, including, without limitation, with respect to disbursement of funds to economic distress areas, leverage requirements and eligible project costs. As the individual loans are to be made with grant funds from the FY 2021 CMF Award and FY 2020 Additional Multifamily Award, and such loans are anticipated to be lower sized loans, Agency staff recommends that loan approval authority be delegated to the Executive Director and Vice President of Multifamily Programs, acting singly, as set forth in the votes below.

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

VOTED: To authorize the Agency to accept the \$12,000,000 award (the "FY 2021 CMF Award") received by the Agency from the Community Development Financial Institutions Fund

(“CDFI”) pursuant to the terms of the FY 2021 Capital Magnet Fund Assistance Agreement entered into on October 14, 2022 between CDFI and the Agency (the “Assistance Agreement”), and

- (i) allocate and deposit \$11,400,000 of the FY 2021 CMF Award to the Opportunity Fund (the “FY 2021 CMF Award Proceeds”); and
- (ii) allocate and apply the remaining \$600,000 of the FY 2021 CMF Award to direct administrative expenses, as permitted under the Assistance Agreement.

**FURTHER
VOTED:**

To authorize the Agency to reallocate and redesignate \$1,377,500 of the FY 2020 CMF Award that was allocated and designated in a June 8, 2021 vote by the Members as the “FY 2020 Homeownership Award,” such \$1,377,500 FY 2020 CMF Award funds to be reallocated and redesignated as “FY 2020 Multifamily Award” funds, and to deposit such funds into the Opportunity Fund, to be utilized in providing subordinate loans to multifamily housing developments (the “FY 2020 Additional Multifamily Award Proceeds”).

**FURTHER
VOTED:**

To authorize the Executive Director or Vice President of Multifamily Programs, acting singly, in consultation with the CMF Multifamily Staff Review Committee, to approve, in writing, any loan to be made with the FY 2020 Additional Multifamily Award Proceeds and/or FY 2021 CMF Award Proceeds (each, a “Multifamily CMF Loan”), and to take or authorize any action with respect to a Multifamily CMF Loan approved pursuant to the votes set forth herein as they may deem necessary or advisable to preserve the rights and interests of the Agency, including but not limited to extensions, modifications and resubordinations of any Multifamily CMF Loan, Level I transfers in accordance with the Transfer of Ownership Policy and releases of collateral, in each case on such terms and conditions as the Executive Director or Vice President of Multifamily Programs shall require, as applicable, along with such agreements or documents as the General Counsel may deem necessary.

**FURTHER
VOTED:**

To authorize the Executive Director, Vice President of Multifamily Programs, Vice President of Homeownership, Financial Director or General Counsel, each acting singly, to execute and deliver on behalf of the Agency such agreements or documents necessary or appropriate to implement the foregoing, the form and substance of which shall be acceptable to the General Counsel.

Chair Pinado then called for a motion to recess the MassHousing meeting in order to convene a special meeting of The Center for Community Recover Innovations, Inc. (CCRI.) Upon a motion duly made and seconded, by roll call vote of all the Members present, it was

VOTED to recess the MassHousing meeting.

Chair Pinado then called the Special Meeting of The Center for Community Recovery Innovations, Inc. (CCRI) to order.

Vote Committing CCRI Funds

Nichole Mikshenas, Neighborhood Stabilization Program and CCRI Specialist, presented the four applications that the Community Services Advisory Committee has endorsed for consideration by the CCRI Board of Directors..

GAAMHA, Gardner

Requests funding to preserve 8 units of housing for men at 59 Chelsea Street in Gardner.

Recommendation: \$75,000

Casa Esperanza, Boston

Requests funding to preserve 14 units of housing for women and children at 302 Eustis Street, Boston

Recommendation: \$20,682

Mental Health Association, Inc., Springfield

Requests funding for a Recovery Specialist for men

Recommendation: \$22,850

Self Esteem Boston Educational Institute, Inc.

Requests funding for women's self esteem and self sufficiency for women and children in Boston, Lynn and Springfield

Recommendation: \$24,800

Carolina Avellaneda asked if all the applications were being funded and Ms. Mikshenas stated that there were a total of six applications for this round of funding and four are being presented for a vote. The other two applications required clarification and those applications will be taken up in Round 2. Applications are open for Round 2 and the deadline to apply is December 2022. These applications will be presented at the February board meeting. Carmen Panacoupulos questioned the amounts of the grants and commented that the amounts seem low. Ms. Panacoupulos also asked if the mental health resident services is a one-time expense or a year-to-year expense. Ms. Mikshenas replied that organizations submit an estimate of what they need and it can be for either capital expenses or services. Capital expenses are supported by quotes and contractor estimates. Carolina Avellaneda asked if there are limits on what they can ask for and questioned whether we may need to look at the limit numbers. Ms. Mikshenas replied that the limits have remained the same for some time and we are looking at those numbers. Chair Pinado commented it has been quite a while since the numbers were updated.

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

VOTED: That the Center for Community Recovery Innovations, Inc. ("CCRI"), an affiliate of the Massachusetts Housing Finance Agency (the "Agency"), approve a grant in

the amount of \$75,000 to GAAMHA, Inc., Gardner, for the purposes described in the application, subject to the contingencies and requirements set forth in this recommendation.

FURTHER

VOTED: That CCRI, approve a grant in the amount of \$20,682 to Casa Esperanza, Inc., Boston, for the purposes described in the application, subject to the contingencies and requirements set forth in this recommendation.

FURTHER

VOTED: That CCRI, approve a grant in the amount of \$22,850 to Mental Health Association, Springfield, for the purposes described in the application, subject to the contingencies and requirements set forth in this recommendation.

FURTHER

VOTED: That CCRI, approve a grant in the amount of \$24,800 to Self Esteem Boston Educational Institute Inc., Lynn/Springfield/Boston, for the purposes described in the application, subject to the contingencies and requirements set forth in this recommendation.

Noting that there was no other business requiring action or discussion, Chair Pinado asked adjourned the CCRI meeting and reconvened the MassHousing Meeting.

Loan Committee

Bunker Hill Building M, Charlestown

Jeff Geller presented a proposal for Official Action Status, Commitment of Tax-Exempt Construction/Permanent Loan, Commitment of Tax-Exempt Construction Equity Bridge Loan, Commitment of Taxable Construction Equity Bridge Loan and Approval for the use of 4% Tax credits for Bunker Hill Building M in Charlestown.

The Bunker Hill Housing Redevelopment involves the transformation of the Boston Housing Authority's ("BHA") Charlestown Apartments into a new mixed-income community. In partnership with the BHA, a joint venture of Joseph J. Corcoran Co. and Leggat McCall Properties will replace the existing 42 buildings with 15 new residential buildings, retail and community space, and 2.8 acres of publicly accessible open space. The overall project will involve the replacement of 1,010 units of public housing on-site and the addition of 1,689 market rate units built over a period of 10-15 years. Bunker Hill Building M (the "Development") is the first phase of the redevelopment and will contain 102 units of replacement public housing. The building has been designed to achieve Passive House certification.

The existing Charlestown Apartments, which will be known as the "Bunker Hill Housing Redevelopment," is located on an approximately 26-acre parcel owned by the BHA in the northeast area of Charlestown. Bunker Hill Building M will be developed on a 36,000 square foot lot near

the center of the Bunker Hill Housing Redevelopment, approximately half a mile from Main Street. Two vacant buildings currently occupy the site and will be demolished prior to the start of construction.

The Development will consist of a new six- story elevator building designed and constructed to achieve Passive House certification.

All 102 units are subject to affordability restrictions and will benefit from a Project Based Section 8 contract administered by the BHA. Fourteen units will be restricted to households earning up to 30% of AMI, while 88 units will be restricted to households earning up to 60% of AMI.

Mr. Dirrane asked for clarification of the subsidy and the total number of units. Mr. Geller explained that in the entire redevelopment there are approximately 1,000 subsidized units currently existing that will be replaced and approximately 1,700 market rate units that will also be constructed over 10-15 years. Building M is the first phase consisting of 102 public housing replacement units.

Ms. Avellaneda inquired about participation in the community meetings. Mr. Geller noted that the Agency had not participated in those meetings. Chair Pinado noted that typically those processes are largely complete by the time the transactions are brought to MassHousing.

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 “Bunker Hill Building M” (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 \$60,306,250 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. Bunker Hill Redevelopment Company LLC (“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 construction/permanent first mortgage loan in a principal amount of up to \$38,620,000, such first loan to be insured under the HUD HFA Risk Sharing Program; (b) a tax-exempt subordinate equity bridge mortgage loan in a principal amount of up to \$12,680,000; and (c) a taxable subordinate equity bridge mortgage loan in a principal amount of up to \$17,500,000, in each case to be made to Bunker Hill Building M LLC or another single-purpose entity controlled by Bunker Hill Redevelopment Company LLC (the “Borrower”) as owner of the multifamily residential development known as “Bunker Hill Building M” (the “Development”) and located in Charlestown, 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:

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 Charlestown, Massachusetts and known as “Bunker Hill Building M” (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.

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 Loans 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:

102 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 October 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 aforementioned collection date.

In-house data for larger market and mixed-income complexes (approximately 705 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 97.6%, and range between 97% and 99%. None of the comparables were offering concessions.

4th Qtr. 2022 CoStar data for the subject's Charlestown/Somerville Submarket (5,881 units) has an overall vacancy rate at 6.6 % YTD, which is a decrease of 2.40% from one year ago. CoStar data for the Boston market (256,951 units) has an overall vacancy rate of 4.5% YTD, which is a decrease of .12% from one year ago. The Charlestown/Somerville Submarket vacancy rate is projected to increase to 7.6% over the next five years, while the Boston market is projected to increase to 5.7%.

CoStar, submarket data for the 4-5 Star building type (3,056) indicates a 4th Qtr. 2022 vacancy rate of 10.1 % and an average asking rent of \$3,293, while submarket data for the subject's 3 Star building type (1,654 units) indicates a 4th Qtr. 2022 vacancy rate of 2.7 % at an average asking rent of \$2,528 and 1-2 Star buildings (1,171 units) indicates a 4th Qtr. 2022 vacancy rate of 2.9% at an average asking rent of \$1,946. 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	1	2	3	4
Number of Units	32	36	24	10
Net SF/Unit	662	898	1,215	1,455
Elev./Non-Elev.	Elev.	Elev.	Elev.	Elev.
Market Rate Rent (10% Rate 20 Year Term)	\$4,505	\$5,095	\$5,865	\$6,315
MHFA Below Market Rent (Cost-Based Rent)	\$2,950	\$3,540	\$4,310	\$4,760
MHFA Adjusted Rent	30% of 60% AMI			
Underwriting Rents				
PB-Section 8 30% of AMI	\$2,950	\$3,540	\$4,310	\$4,760
PB-Section 8 60% of AMI	\$2,950	\$3,540	\$4,310	\$4,760

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.

Van der Heyden Apartments, Springfield

Sarah Hall presented a proposal for Official Action Status, Commitment of Tax-Exempt Construction/Permanent Loan, Commitment of Tax-Exempt Construction Equity Bridge Loan, Commitment of Taxable Construction Equity Bridge Loan and Approval for the Use of 4% Tax Credits for Van der Heyden Apartments in Springfield.

Van der Heyden Apartments (the “Development”) is an existing 45-unit affordable housing community in Springfield’s Mason Square neighborhood. The building was constructed in 1914, most recently renovated with MassHousing financing in 1980, and the MassHousing loan matured in 2021. The Development has significant capital needs. As part of the proposed transaction, the current owner, an entity controlled by Paul Oldenburg (“Oldenburg” or the “Sponsor”), will transfer the property to a newly formed entity, also controlled by Oldenburg. Oldenburg has requested new MassHousing financing to address the capital needs, buy out the existing limited partners, and reposition the property for the long term

The 18,680-square foot site is located in Springfield’s Mason Square neighborhood. Surrounding uses include retail, government services, public schools, a public library, and other single-family and multi-family residential properties. The site has parking for 14 cars and several city buses serve the area.

Van der Heyden Apartments consists of a single five-story brick walk-up building constructed in 1914 and most recently renovated in the early 1980s. The first floor currently houses a vacant commercial space, laundry room, and a community room. As part of the proposed transaction, the commercial space will be converted to a supportive services area with an office and a small meeting room.

All 45 units are subject to income restrictions and benefit from a project-based Section 8 contract which will be renewed for 20 years in connection with the proposed transaction. Eighteen (18) of the units are income-restricted to households at or below 30% of AMI and 27 units are income-restricted to households at or below 50% of AMI.

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 “Van der Heyden Apartments” (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 \$11,521,250 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.

VOTED: To accept ownership of the Development by an affiliate of the proposed borrower controlled by the same sponsor as appropriate evidence of site control for purposes of the grant of the Official Action Status, and waive the requirement for the Official Action Status finding (2).

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. Paul Oldenburg (“Developer”) has acceptable multifamily housing development experience and acceptable credit history.
2. [See below]
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.

Staff has not been able to make the following Official Action Status finding for the proposed project (see Votes):

2. The mortgagor 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.

VOTED: To approve the findings and determinations set forth below and to authorize (a) a construction/permanent first mortgage loan in a principal amount of up to \$3,180,000, such first loan to be insured under the HUD HFA Risk Sharing Program; (b) a subordinate equity bridge mortgage loan in a principal amount of up to \$6,217,000; and (c) a subordinate equity bridge mortgage loan in a principal amount of up to \$3,202,800, in each case. to be made to Van der Heyden Apartments Limited Partnership or another

single-purpose entity controlled by Paul Oldenburg (the “Borrower”) as owner of the multifamily residential development known as “Van der Heyden Apartments” (the “Development”) and located in Springfield, 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: 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 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 45 units (100%) 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 October 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 aforementioned collection date.

In-house data for larger market and mixed-income complexes (approximately 1,401 units) in the area revealed a strong rental market. Current occupancy rates of the five comparable properties reviewed averaged approximately 98.8%, and range between 97% and 100%. None of the comparables were offering concessions. The subject property has operated as a Section 8 property since approximately 1981 and has had an average vacancy rate of 1.82% over the past 5 years. My review of similar mixed income/subsidized portfolio properties (1,241 units) demonstrated a weighted average vacancy rate of approximately 1.94%.

4th Qtr. 2022 CoStar data for the subject's Springfield submarket (7,055 units) has an overall vacancy rate at 2.3% YTD, which is a decrease of .03% from one year ago. CoStar data for the Springfield market (23,206 units) has an overall vacancy rate of 2.0% YTD, which is a decrease of .06% from one year ago. The Springfield submarket vacancy rate is projected to increase to 3.9% over the next five years, and the Springfield Market is projected to increase to 3.6%.

CoStar, submarket data for the 4-5 Star building type (266 units) indicates a 4th Qtr. 2022 vacancy rate of 0% and an average asking rent of \$1,496, while submarket data for the subject's 3 Star building type (2,585 units) indicates a 4th Qtr. 2022 vacancy rate of 2.0% at an average asking rent of \$1,203 and 1-2 Star buildings (4,204 units) indicates a 4th Qtr. 2022 vacancy rate of 2.7% at an average asking rent of \$1,035. 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 Springfield 61,556 year-round housing units, 10,041 (16.3%) of which are subsidized for low/moderate-income households.

Further, the Springfield Housing Authority (SHA) owns and /or operates 2,397 Public Housing units in 27 units broken down by 5 districts in Springfield. These include 13 developments for elderly and disabled residents and 14 developments for families. According to the city of Springfield's Five-Year Consolidated plan (2016-2021), there are 2,081 applicants on the waiting lists. 90.7% of those applicants are extremely low income, with household incomes below 30% of the area median income (AMI), 7.7% are very low income households with incomes of 30-50% of AMI, and 1.5% are low income households with incomes of 50-80% of AMI. Further, 40.6% of the applicants are families with children, 14.8% elderly and 44.4% are disabled.

SHA also administers 2,733 Section 8 Housing Vouchers and they participate in the Massachusetts Section 8 Housing Choice Voucher Centralized Waiting List. At this time the list is open and it is expected to remain open indefinitely.

U.S. Census data from the 2016-2020 American Community Survey (ACS) indicates that of the 56,804 households in the City of Springfield approximately 76.1% earned less than the HUD published 2022 AMI (\$91,200), approximately 54.7% earned less than 50% of 2022 AMI, approximately 62.5% earned less than 60% of the 2022 AMI, and approximately 72.7% earned less than 80% of the 2020 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
Number of Units	33	12
Net SF/Unit	600	771
Elev./Non-Elev.	Y	Y
Market Rate Rent (insert)	\$4,033	\$4,233
MHFA Below Market Rent (Cost-Based Rent)	\$2,743	\$2,943
MHFA Adjusted Rent	30% of 60% of AMI	
Underwriting Rents		
PB-Section 8 at 30% AMI	\$1,200	\$1,400
PB-Section 8 at 50% AMI	\$1,200	\$1,400

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.

Whittier Phase 3 – 4%, Boston, Roxbury

Sarah Hall presented a proposal for Official Action Status, Commitment of Tax-Exempt Permanent Loan, Commitment of Tax-Exempt Equity Bridge Loan, Commitment of Workforce Housing Subordinate Loan and Approval for the Use of 4% Tax Credits for Whittier Phase 3 – 4% in Roxbury.

Whittier Phase 3 (“Phase 3”) is the third and final phase of the Whittier Street Apartments redevelopment, and it consists of Whittier Phase 3 – 4% (the “Development”) and the associated 9% tax credit condominium. Phase 3 will have a total of 172 units in a single high-rise building fronting on Tremont Street. The 4% portion of Phase 3 will have 119 units and ground floor retail space.

Originally built in 1953, Whittier Street Apartments was a 200-unit public housing community owned by the Boston Housing Authority (the “BHA”). In 2017, the BHA was awarded a HUD Choice grant to redevelop the site and selected Preservation of Affordable Housing, Inc. (the “Sponsor”) as their primary development partner.

HUD’s Choice Neighborhoods Initiative aims to both revitalize public housing and transform entire neighborhoods with three related strategies: neighborhood, housing, and people. The first phase of the redevelopment is fully occupied, while the second phase is nearing sustaining occupancy. Ultimately, there will be 316 new units on site, along with 106 new off-site units split between Madison Melnea Cass Apartments and 2101 Washington Street.

The entire Whittier Street Apartments site was 3.8 acres and has been subdivided as each stage has been completed. The site is located in Boston’s Roxbury neighborhood near the Ruggles MBTA station and Northeastern University. Phase 3 will be constructed on 0.74 acres (the “Site”). Demolition of the original buildings on the Site is complete.

The Development will be one condominium unit within a 172-unit 12-story steel frame building. Fifty-three units belong to the 9% condominium, and the remaining 119 units plus 9,200 square feet of ground floor commercial space belong to the Development.

One hundred five (105) of the 119 units will be subject to affordability restrictions. Forty-seven will be replacement public housing units at 30% and 50% of AMI and will benefit from project-based vouchers administered by the BHA, fourteen units will be income-restricted to households at or below 60% of AMI, 46 units will be income-restricted to households at or below 80% of AMI with both a workforce and LIHTC restriction, and the remaining 12 units will be unrestricted market rate.

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 “Whittier Phase 3 4%” (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 \$74,500,000 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. Preservation of Affordable Housing, LLC (“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 \$29,000,000, such first loan to be

insured upon stabilization under the HUD HFA Risk Sharing Program; and (b) a subordinate equity bridge mortgage loan in a principal amount of up to \$32,000,000, in each case to be made to Whittier 3-4 Preservation Associates Limited Partnership or another single-purpose entity controlled by Preservation of Affordable Housing, Inc. (the “Borrower”) as owner of the multifamily residential development known as “Whittier Phase 3 4%” (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 multifamily development located in Boston, Massachusetts and known as “Whittier Phase 3 – 4%” (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:

One hundred seven units (90%) 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 9, 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 1,478 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 99.8%, and range between 99% and 100%. None of the six comparables reviewed was offering rental concessions.

3rd Qtr. 2022 CoStar data for the subject's Roxbury/Dorchester Submarket (7,261 1 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 3rd 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 3rd 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 3rd 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 2021 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 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
Number of Units	8	46	65
Net SF/Unit	503	640	873
Elev./Non-Elev.	Y	Y	Y
Market Rate Rent	\$2,959	\$2,898	\$3,613
MHFA Below Market Rent (Cost-Based Rent)	\$2,056	\$1,996	\$2,711
MHFA Adjusted Rent	30% of 60% AMI		
Underwriting Rents			
BHA PBV – 30% AMI	\$0	\$2,349	\$2,805
BHA PBV – 50% AMI	\$0	\$2,349	\$2,805
LIHTC 60% of AMI	\$0	\$1,508	\$1,799
LIHTC / WFH 80% of AMI	\$1,913	\$2,028	\$2,423
Market	\$2,295	\$2,635	\$3,375

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.

Whittier Phase 3 – 9%, Boston, Roxbury

Sarah Hall presented a proposal for Commitment of a Taxable Permanent Loan for Whittier Phase 3 – 9% in Roxbury.

Whittier Phase 3 (“Phase 3”) is the third and final phase of the Whittier Street Apartments redevelopment, and it consists of Whittier Phase 3 - 9% (the “Development”) and the associated 4% tax credit condominium. Phase 3 will have a total of 172 units in a single high-rise building fronting on Tremont Street. The 9% portion of Phase 3 will have 53 units.

Originally built in 1953, Whittier Street Apartments was a 200-unit public housing community owned by the Boston Housing Authority (the “BHA”). In 2017, the BHA was awarded a HUD Choice grant to redevelop the site and selected Preservation of Affordable Housing, Inc. (the “Sponsor”) as their primary development partner.

HUD’s Choice Neighborhoods Initiative aims to both revitalize public housing and transform entire neighborhoods with three related strategies: neighborhood, housing, and people. The first phase of the redevelopment is fully occupied while the second phase is nearing sustaining occupancy. Ultimately, there will be 316 new units on site, along with 106 new off-site units split between Madison Melnea Cass Apartments and 2101 Washington Street.

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 \$9,500,000, such first loan to be insured under the HUD HFA Risk Sharing Program; to be made to Whittier 3-9 Preservation Associates Limited Partnership or another single-purpose entity controlled by Preservation of Affordable Housing, Inc. (the “Borrower”) as owner of the multifamily residential development known as “Whittier Phase 3- 9%” (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 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:

Twenty-three units (43%) 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 October 5, 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 785 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 98.8%, and range between 98% and 100%. One of the comparables was offering a concession of one-month free rent.

4th Qtr. 2022 CoStar data for the subject's Roxbury/Dorchester Submarket (7,298 units) has an overall vacancy rate at 2.2 % YTD, which is a decrease of 2.16% from one year ago. CoStar data for the Boston market (254,792 units) has an overall vacancy rate of 4.4% YTD, which is a decrease of .26% from one year ago. The Roxbury/Dorchester Submarket vacancy rate is projected to increase to 4.8% over the next five years, while the Boston market is projected to increase to 5.4%.

CoStar, submarket data for the 4-5 Star building type (1,913) indicates a 4th Qtr. 2022 vacancy rate of 4.2 % and an average asking rent of \$2,951, while submarket data for the subject's 3 Star building type (2,889 units) indicates a 4th Qtr. 2022 vacancy rate of 1.6 % at an average asking rent of \$2,538 and 1-2 Star buildings (2,496 units) indicates a 4th Qtr. 2022 vacancy rate of 1.3% at an average asking rent of \$1,618. 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	Studio	1BR	2BR	N/A
Number of Units	10	34	9	N/A
Net SF/Unit	503	640	873	N/A
Elev./Non-Elev.	Y	Y	Y	N/A
Market Rate Rent (10% Rate 20 Year Term)	\$2,817	\$2,792	\$2,656	N/A
MHFA Below Market Rent (Cost-Based Rent)	\$2,295	\$2,270	\$2,134	N/A
MHFA Adjusted Rent	30% of 60% of AMI			
Underwriting Rents				
BHA PBV 50% AMI	\$0	\$2,349	\$2,805	N/A
LIHTC 60% of AMI	\$0	\$1,508	\$1,799	N/A
Market	\$2,295	\$2,635	\$0	N/A

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

Bay Meadow Apartments, Springfield

Sarah Hall 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.

Bay Meadow Apartments (the “Development”) consists of 148 units in twelve two-story buildings in Springfield. 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 28.9-acre site in Springfield (the “Site), which is close to public

transportation routes and area highways, including Routes 291, 20 and 90 (Massachusetts Turnpike). Residents have access to a variety of local amenities such as health care, grocery, and pharmacies.

Bay Meadow Apartments was originally built in 1950 and substantially rehabilitated in 1980 and 2008. The Development consists of 148 units in twelve two-story buildings. The unit mix includes 64 one-bedroom units, 66 two-bedroom and 18 three-bedroom units, as well as a single-story community building and 200 surface parking spaces.

Pursuant to a 99-year tax credit use agreement in connection with the 2008 refinancing, all 148 units are restricted to households earning no more than 60% of area median income (“AMI”); 15 units, or 10% of the total, are further restricted to households earning no more than 30% of AMI.

All 148 units benefit from a Project-Based Section 8 Contract (the “Contract”). 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 (five years), bringing the total affordability term to 25 years (through 2047).

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

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 \$13,391,700, 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 \$18,078,795 nor less than \$8,704,605 to Eastgate Preservation Associates Limited Partnership (the “Borrower”) for Bay Meadow Apartments and (2) to make the FHA-insured first mortgage loan to the Borrower in the approximate amount of \$13,391,700 (the “New Loan”), subject to the limitation that the final amount of such loan shall not be more than \$18,078,795 nor less than \$8,704,605 on terms acceptable to MassHousing, in compliance with the terms of the Prepayment Approval for MassHousing Multifamily Mortgages adopted by the Agency on October 14, 2014, 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 Bay Meadow Apartments.

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:

148 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 October 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 aforementioned collection date.

In-house data for larger market and mixed-income complexes (approximately 1,401 units) in the area revealed a strong rental market. Current occupancy rates of the five comparable properties reviewed averaged approximately 98.8%, and range between 97% and 100%. My review of similar mixed income/subsidized portfolio properties (1,241 units) demonstrated a weighted average vacancy rate of approximately 1.94%. None of the comparables were offering concessions.

4th Qtr. 2022 CoStar data for the subject's Springfield submarket (7,055 units) has an overall vacancy rate at 2.3% YTD, which is a decrease of .03% from one year ago. CoStar data for the Springfield market (23,206 units) has an overall vacancy rate of 2.0% YTD, which is a decrease

of .06% from one year ago. The Springfield submarket vacancy rate is projected to increase to 3.9% over the next five years, and the Springfield Market is projected to increase to 3.6%.

CoStar, submarket data for the 4-5 Star building type (266 units) indicates a 4th Qtr. 2022 vacancy rate of 0% and an average asking rent of \$1,496, while submarket data for the subject's 3 Star building type (2,585 units) indicates a 4th Qtr. 2022 vacancy rate of 2.0% at an average asking rent of \$1,203 and 1-2 Star buildings 4,204 units) indicates a 4th Qtr. 2022 vacancy rate of 2.7% at an average asking rent of \$1,035. 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 Springfield has 61,556 year-round housing units, 10,041 (16.3%) of which are subsidized for low/moderate-income households.

Further, the Springfield Housing Authority ("SHA") owns and/or operates 2,397 Public Housing units in 27 units broken down by 5 districts in Springfield. These include 13 developments for elderly and disabled residents and 14 developments for families. According to the City of Springfield's Five-Year Consolidated Plan (2016-2021), there are 2,081 applicants on the waiting lists. 90.7% of those applicants are extremely low income, with household incomes below 30% of the area median income ("AMI"), 7.7% are very low-income households with incomes of 30-50% of AMI, and 1.5% are low-income households with incomes of 50-80% of AMI. Further, 40.6% of the applicants are families with children, 14.8% are elderly and 44.4% are disabled.

SHA also administers 2,733 Section 8 Housing Vouchers and they participate in the Massachusetts Section 8 Housing Choice Voucher Centralized Waiting List. At this time the list is open and it expected to remain open indefinitely.

U.S. Census data from the 2016-2020 American Community Survey (ACS) indicates that of the 56,804 households in the City of Springfield approximately 76.1% earned less than the HUD published 2022 AMI (\$91,200), approximately 54.7% earned less than 50% of 2022 AMI, approximately 62.5 % earned less than 60% of the 2022 AMI, and approximately 72.7% earned less than 80% of the 2020 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	64	66	18
Net SF/Unit	548	1,096	1,268
Elev./Non-Elev.	NE	NE	NE
Market Rate Rent (insert)	\$1,701	\$2,124	\$2,401
MHFA Below Market Rent (Cost-Based Rent)	\$1,299	\$1,722	\$1,999
MHFA Adjusted Rent	30% of 80% AMI		
Underwriting Rents			
Project-Based Section 8	\$1,320	\$1,790	\$2,100
MH Disposition Agreement	\$1,218	\$1,443	\$1,644

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.

Clarendon Hill, Building E, Somerville

Sarah Hall presented a proposal for an increase of \$5,900,000 to the Tax-Exempt Equity Bridge Loan Authorization from \$30,700,000 to \$36,600,000.

On September 13, 2022, the Agency approved a permanent first mortgage of up to \$24,000,000, a tax-exempt equity bridge loan in the amount of up to \$30,700,000, and a \$3,000,000 Workforce Housing Loan to support the construction of Clarendon Hill, Building E, the first phase of the larger Clarendon Hill Apartments state public housing redevelopment effort.

Since that time, there have been changes to the development budget and rents and increases in interest rates. Total development costs have increased by approximately \$7,780,000 due to an escalation in construction costs, insurance, and construction loan interest. Underwritten net operating income has increased because of higher state public housing rents and an increase in the project-based voucher payment standard from 110% of the 2022 Fair Market Rent (“FMR”) to 100% of the 2023 FMR. This increase on the income side has been outweighed by the sharp rise in interest rates, resulting in an overall reduction in the maximum supportable loan size. The Sponsor is balancing the development budget with Sponsor loan proceeds and is generating additional tax credit equity with the higher construction costs and more enhanced developer fee included in eligible basis.

The increased development costs and decreased permanent loan has resulted in the need to increase the equity bridge loan in the amount of \$5,900,000 to ensure the project meets the 50% test required for tax-exempt financed tax credit transactions.

Since the September 2022 loan commitment, the development plan has not changed. The closing process is underway, with all parties working toward a calendar year 2022 tax-exempt bond issuance and closing.

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 “Clarendon Hill, Building E” (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 \$75,750,000 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.

VOTED: To accept the site control plan provided by Preservation of Affordable Housing, Inc.. in its role as developer of the Development as appropriate evidence of site control for purposes of the grant of Official Action Status, and to waive the requirement for the Official Action Status finding (2).

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. Preservation of Affordable Housing, Inc.. (“Developer”) has acceptable multifamily housing development experience and acceptable credit history.
2. [See below.]
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.

Staff has not been able to make the following Official Action Status finding for the proposed project (see Agency vote above):

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.

VOTED: To authorize (a) an increase of \$5,900,000 in the tax-exempt bridge loan previously authorized by the Members on September 13, 2022 from \$30,700,000 to a principal amount of up to \$36,600,000 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.

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
Market Rate Rent (insert)	\$5,561	\$5,487	\$5,970
MHFA Below Market Rent (Cost-Based Rent)	\$3,874	\$3,801	\$4,283
MHFA Adjusted Rent	30% of 60% of AMI		
Underwriting Rents			
State Public Housing - 30% of AMI	\$1,137	\$1,137	\$1,137
State Public Housing - 50% of AMI	-	\$1,137	-
State Public Housing - 60% of AMI	\$1,137	\$1,137	\$1,137
PB Section 8 - 50% of AMI	\$2,418	\$2,899	\$3,258
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.

Chair Pinado asked if there was any other old or new business for the Members' consideration.

There being no other old or new business, the meeting adjourned at 2:55 p.m.

A true record.

Attest.



Colin M. McNiece
Secretary