Minutes of the Regular Meeting
of the Members of
MassHousing
held on June 9, 2020

The regular meeting of the Massachusetts Housing Finance Agency – doing business as MassHousing - was held on June 9, 2020. In accordance with the Order Suspending Certain Provisions of the Open Meeting Law, GL.c.30A Section 20 issued by Governor Baker on March 12, 2020, no Members were physically present and the meeting was conducted remotely through a publicly accessible Zoom meeting.

Participating remotely were all the Members (by roll call):

Members

Michael Dirrane, Chair
Mark Attia, Designee of Michael Heffernan, ex officio
Carolina Avellaneda
Lisa Serafin
Jennifer Maddox, ex officio
Ping Yin Chai
Andris Silins
Patricia McArdle
Jerald Feldman

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*

Chairman Dirrane convened the meeting to order at 2:00 p.m. He indicated that the first order of business was the approval of the minutes of the previous meeting. Upon a motion duly made and seconded, it was, by roll call vote, approved by all the Members:

VOTED: That the minutes of the meeting held on May 12, 2020 are hereby approved and placed on record.

Chairman Dirrane then called upon Chrystal Kornegay, MassHousing's Executive Director, for her monthly report to the Members.

Executive Director's Report

Ms. Kornegay began by discussing the Agency's return to work plan. Ms. Kornegay thanked Rachel Madden for putting the plan together. As of June 1, 2020, city and state employees are allowed to return to work with certain restrictions. A maximum of 25% of employees can return to work and only a select number of employees will be returning to the office. Ms. Kornegay went on to say not all employees will be in the office at the same time and those employees who do return will mostly be on only two floors.

Ms. Kornegay continued by explaining that during the Phase I Reopening, 29 people will be returning to the office, which is about 9 percent of the Agency's workforce. A few more employees may be added during the month of July for the year-end audit.

Ms. Kornegay went on to thank Jen Foley and her team for their work implementing new workplace protocols – hand sanitizer and cleaning supplies will be available to employees and the coffee and water filtration systems have been eliminated.

Chairman Dirrane next asked for comments on whether or not an August board meeting should be held. A discussion ensued as to whether there were enough pressing matters to require an August board meeting. Carolina Avellaneda suggested keeping the August meeting on the books and decide when the date gets closer.

Mr. Feldman asked when the next regular board meeting would be held at Beacon Street. Ms. Kornegay replied that most of the staff will not be brought back until after Labor Day. Chairman Dirrane suggested we take it one month at a time and Ms Avellaneda asked that the members be notified when the Governor lifts the order. Colin McNiece added that once the order is lifted, we would require a physical quorum and added that we expect some type of notification.

Ms. Avellaneda asked if the Agency is intending to do any type of COVID-19 testing and Ms. Kornegay replied that we are not planning to do any testing.

Finance Update

Vote Approving Fiscal Year 2021 Fiscal Plan

Charles Karimbakas gave a finance update and a presentation on the Fiscal Year 2021 budget.

Mr. Karimbakas began by discussing delinquencies. As of May 31, 2020, 9% of our loan portfolio was delinquent. Delinquencies in April 2020 were 7.72% and 3.12% in May 2019. Also as of May 31, 2020, we had 1,377 loans in forbearance. Mr. Karimbakas also mentioned the pace of MI Plus has continued into June. He also mentioned that call center calls have returned to pre-COVID levels. New homeownership loans are picking up due to current low interest rates, but there have also been a lot of loan payoffs. On the multi-family side, the portfolio is stable with 5 loans delinquent as of May 31 and two of those loans have since made payments.

There was a discussion regarding whether loans in forbearance are considered delinquent. Freddie and Fannie loans are not considered delinquent until the end of forbearance.

Mr. Karimbakas next presented the proposed fiscal plan for Fiscal Year 2021.

The proposed Fiscal Plan for FY21 projects an operating budget deficit of expenditures over revenues (“Net Loss”) of ($6.0) million, or a 116.7% decrease from the $36.1 million approved budget for FY20. Through March 2020, Net Income was $27.2 million, and we are forecasting $124.2 million for the full fiscal year, which would be a 243.8% increase over the FY20 budget. There are several factors that lead us to the proposed FY21 Loss of ($6.0) million.

The primary driver of the decrease between the FY21 budget and the FY20 budget is due to a significantly lower interest rate environment and an increase in mortgage insurance claims due to the volatility in the market net of a modest increase in subsidy administration due to the new PBCA contract extension. The decrease in the FY21 budget as compared to the FY20 projection is primarily due a decrease in interest rates.

The primary driver of the increase between the FY21 budget and the FY20 budget is due to an increase in grant expenditures of $23.7 million and an increase in mortgage insurance claims of $3.1 million. The increase in the FY21 budget as compared to the FY20 projection is primarily due to the increase in grant income offset by a higher IT spend in FY21 than expected in FY20,

Additional factors reflected in the FY21 budget include budgeted headcount for FY21 is 329 FTEs and for FY20 budget was 333 FTEs Merit increases for FY21 budget is 2.5% and for FY20 budget was 4.0%. 457 Match is budgeted at $400K for FY21 and was budgeted at $400K for FY20.

We have not budgeted any capital improvements for FY21 nor did we for FY20. Regular purchases of computer equipment are expensed under the IT line included in direct expenses due to their limited cost

As noted above, Net Loss is budgeted at ($6.0) million. This estimate does not reflect any potential provision for loan losses or extraordinary items. The bond programs are projected to generate

$18.9 million from bond related activities, the Working Capital Fund, exclusive of MIF and the Opportunity Fund, is projected to operate at a Net Loss of ($3.5) million, MIF is projected to generate Net Income of $2.0 million and the Opportunity Fund is projected to generate a Net Loss of ($23.4) million. The Agency expects to transfer approximately $13.5 million from bond programs to support activity in the Working Capital Fund in FY21. These transfers have been a routine part of the Agency's operations over the years.

Mr. Karimbakas went on to outline how the FY21 Fiscal Plan will use Agency Assets to Move the Mission:

The Fiscal Plan allocates substantial resources to several initiatives that advance the Agency's mission of expanding affordable housing resources and services in the Commonwealth. The Fiscal Plan commits:

- $1.9 million to cover the Commonwealth's 13A shortfall.
- $759,000 to cover the payroll and payroll added costs of five DHCD employees.
- $700,000 for developing and preserving sober housing and related services through the Center for Community Recovery Innovations (CCRI).
- $570,000 for the Tenants' Assistance Program (TAP).
- $125,000 towards the Mel King Institute.
- $50,000 towards New Lease (Homelessness); and
- Continued funding of $3.0 million for other community service programs, including
  - $1.5 million for crime prevention, youth development and community engagement;
  - $783,000 for various youth programs, including Youth RAP (Residents' Activities Program);
  - $660,000 to continue the Tenancy Preservation Program, which has won awards from both the NCSHA and The Ford Foundation

In addition, the Agency serves as the Administrator for the Affordable Housing Trust Fund ("AHTF") and the 40B program on behalf of the Commonwealth and has costs not covered by fee income relative to those activities of $709,000 for AHTF and $562,000 for 40B.

Chairman Dirrane asked if the Agency had ever experienced a full year loss and whether there is concern about investor response. Mr. Karimbakas replied that he was not aware of this occurring in the past but noted the loss shown results from the technical effect of the timing for receipt and expenditure of the grant funds on a cash basis and would reflect differently in the standard accounting treatment of the Agency's financial statements that are shared with investors.

There was a discussion regarding additional expenses related to Covid-19.

Ms. McCardle asked for clarification on the sublease and Mr. Karimbakas explained that if the tenancy was not finalized the Agency would not spend the funds budgeted for renovations but also would not realize the anticipated income.

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

VOTED: To adopt the Proposed Fiscal Plan for Fiscal Year 2020 substantially in the form attached hereto, provided that the Executive Director may authorize the Agency to deviate from such plan during the course of said fiscal year to the extent she deems necessary or appropriate, provided, however, that any material deviations from such plan shall be reported to the Board on a periodic basis.

MassHousing
Massachusetts Housing Finance Agency & Affiliates
Proposed Fiscal Plan For FY 2021
Exhibit 1
(000's Omitted)

	FY 2021 Budget Total	FY 2020 Budget Total	Budget to Budget % Change	Budget to Budget $ Change
REVENUES				
New Lending				
Premiums on Loans Sold	$ 6,550	$ 5,625	16.4%	$ 925
Transaction & Underwriting Fees	19,664	19,511	0.8%	153
Warehousing/Construction Notes, net	(102)	797	-112.8%	(899)
Fees - Other (AHT, Other)	694	660	5.2%	34
Total New Lending Income	**26,806**	**26,593**	**0.8%**	**213**
Servicing				
Override/Servicing Fee Income	39,261	36,955	6.2%	2,306
GNMA/FFB Servicing Fee Income	7,680	6,912	11.1%	768
Total Servicing Income	**46,941**	**43,867**	**7.0%**	**3,074**
Spread				
Bond Program Net Interest Spread	23,632	38,721	-39.0%	(15,089)
Risk Share Fee Income	2,750	2,700	1.9%	50
Loan Prepayment Fees	750	750	0.0%	-
WCF Interest on Loans	7,082	6,703	5.7%	379
Total Spread	**34,214**	**48,874**	**-30.0%**	**(14,660)**
Investment Earnings, Grant Income, Other				
Investment Earnings - MMDT	4,091	11,379	-64.0%	(7,288)
Investment Earnings - Other	1,826	2,468	-26.0%	(642)
Grant Income	2,000	-	100.0%	2,000
Other Income	150	150	100.0%	-
Total Investment Earnings, Grant Income, Other	**8,067**	**13,997**	**-42.4%**	**(5,930)**
Total Operating Revenues	**$ 116,028**	**$ 133,331**	**-13.0%**	**$ (17,303)**
DIRECT EXPENSES				
Administrative Expenses				
Personnel & Payroll Added Costs	$ 55,636	$ 55,532	0.2%	$ 104
Professional Services	7,264	7,154	1.5%	110
Information Technology	8,026	6,375	25.9%	1,651
Leased Office Space	5,006	5,182	-3.4%	(176)
Operating Costs	4,347	4,154	4.6%	193
Asset Protection	75	125	-40.0%	(50)
Miscellaneous Expenses	-	500	-100.0%	(500)
Grant Expenditures	25,200	1,475	1608.5%	23,725
Insurance Claims	3,810	688	453.8%	3,122
Total Direct Expenses	**$ 109,364**	**$ 81,185**	**34.7%**	**$ 28,179**
Investment in Future Income				
Servicing Rights Purchases (Production)	$ 5,300	$ 6,125	-13.5%	$ (825)
HomeOwnership Origination Fee (MBS Purch)	2,550	4,600	-44.6%	(2,050)
Costs of Issuance	4,850	5,305	-8.6%	(455)
Total Investment in Future Income	**$ 12,700**	**$ 16,030**	**-20.77%**	**$ (3,330)**
Net Income	**(6,036)**	**36,116**	**-116.7%**	**(42,152)**
NET INCOME	**$ (6,036)**	**$ 36,116**	**-116.7%**	**$ (42,152)**

MassHousing
Working Capital Fund & Affiliates
Proposed Fiscal Plan For FY 2021
Exhibit 2
(000's Omitted)

	Home Ownership	Rental Areas	Mortgage Insurance Fund	Opportunity Fund	Corporate	FY 2021 Budget Total	FY 2020 Budget Total	Budget to Budget % Change	Budget to Budget $ Change
REVENUES									
New Lending									
Premiums on Loans Sold	$ 4,050	$ 2,500	$ -	$ -	$ -	$ 6,550	$ 5,625	16.4%	$ 925
Transaction & Underwriting Fees	635	13,750	5,279	-	-	19,664	19,511	0.8%	153
Warehousing/Construction Notes, net	1,075	(1,177)	-	-	-	(102)	797	-112.8%	(899)
Fees - Other (AHT, Other)	-	694	-	-	-	694	660	5.2%	34
Total New Lending Income	**5,760**	**15,767**	**5,279**	**-**	**-**	**26,806**	**26,593**	**0.8%**	**213**
Servicing									
Override/Servicing Fee Income	11,146	25,377	-	-	-	36,523	33,262	9.8%	3,261
GNMA/FFB Servicing Fee Income	-	7,680	-	-	-	7,680	6,912	11.1%	768
Total Servicing Income	**11,146**	**33,057**	**-**	**-**	**-**	**44,203**	**40,174**	**10.0%**	**4,029**
Spread									
Bond Program Net Interest Spread	-	-	-	-	-	-	-	-	-
Risk Share Fee Income	-	2,750	-	-	-	2,750	2,700	1.9%	50
Loan Prepayment Fees	-	750	-	-	-	750	750	0.0%	-
WCF Interest on Loans	-	7,082	-	-	-	7,082	6,703	5.7%	379
Total Spread	**-**	**10,582**	**-**	**-**	**-**	**7,832**	**10,153**	**-22.9%**	**(2,321)**
Investment Earnings, Grant Income, Other									
Investment Earnings - MMDT	-	-	-	1,754	2,337	4,091	11,379	-64.0%	(7,288)
Investment Earnings - Other	-	-	1,826	-	-	1,826	2,468	-26.0%	(642)
Grant Income	-	-	-	-	2,000	2,000	-	100.0%	2,000
Other Income	-	-	-		150	150	150	0.0%	-
Total Investment Earnings, Grant Income, Other	**-**	**-**	**1,826**	**1,754**	**4,487**	**8,067**	**13,997**	**-42.4%**	**(5,930)**
Total Operating Revenues	**$ 16,906**	**$ 59,406**	**$ 7,105**	**$ 1,754**	**$ 4,487**	**$ 86,908**	**$ 90,917**	**-4.4%**	**$ (4,009)**
DIRECT EXPENSES									
Administrative Expenses									
Personnel & Payroll Added Costs	$ 10,885	$ 20,345	$ 436	$ -	$ 23,970	$ 55,636	$ 55,532	0.2%	$ 104
Professional Services	783	838	782	-	4,861	7,264	7,154	1.5%	110
Information Technology	2,584	400	-	-	5,042	8,026	6,375	25.9%	1,651
Leased Office Space	958	1,900	31	-	2,117	5,006	5,182	-3.4%	(176)
Operating Costs	652	260	23	-	3,412	4,347	4,154	4.6%	193
Asset Protection	-	-	-	-	-	-	100	-100.0%	(100)
Miscellaneous Expenses	-	-	-	-	-	-	-	-	-
Grant Expenditures	-	-	-	25,200	-	25,200	1,475	1608.5%	23,725
Insurance Claims	-	-	3,810	-	-	3,810	688	453.8%	3,122
Total Direct Expenses	**$ 15,862**	**$ 23,743**	**$ 5,082**	**$ 25,200**	**$ 39,402**	**$ 109,289**	**$ 80,660**	**35.5%**	**$ 28,629**
Investment in Future Income									
Servicing Rights Purchases (Production)	$ 5,300	$ -	$ -	$ -	$ -	$ 5,300	$ 6,125	-13.5%	$ (825)
HomeOwnership Origination Fee (MBS Purch)	-	-	-	-	-	-	-	-	-
Costs of Issuance	-	-	-	-	-	-	500	-100.0%	(500)
Total Investment in Future Income	**$ 5,300**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 5,300**	**$ 6,625**	**-20.00%**	**$ (1,325)**
NET INCOME	**$ (4,256)**	**$ 35,663**	**$ 2,023**	**$ (23,446)**	**$ (34,914)**	**$ (24,931)**	**$ 3,632**	**-786.4%**	**$ (28,563)**

MassHousing
Combined HomeOwnership & Rental Bond Programs
Proposed Fiscal Plan For FY 2021
Exhibit 3
(000's Omitted)

	Home Ownership Bond Programs	Rental Bond Programs	FY 2021 Budget Total	FY 2020 Budget Total	Budget to Budget % Change	Budget to Budget $ Change
REVENUES						
New Lending						
Premiums on Loans Sold	$ -	$ -	$ -	$ -	-	$ -
Transaction & Underwriting Fees	-	-	-	-	-	-
Warehousing/Construction Notes, net	-	-	-	-	-	-
Fees - Other (AHT, Other)	-	-	-	-	-	-
Total New Lending Income	**-**	**-**	**-**	**-**	**-**	**-**
Servicing						
Override/Servicing Fee Income	-	2,738	2,738	3,693	-25.9%	(955)
GNMA/FFB Servicing Fee Income	-	-	-	-	-	-
Total Servicing Income	**-**	**2,738**	**2,738**	**3,693**	**-25.9%**	**(955)**
Spread						
Bond Program Net Interest Spread	9,449	14,183	23,632	38,721	-39.0%	(15,089)
Risk Share Fee Income	-	-	-	-	-	-
Loan Prepayment Fees	-	-	-	-	-	-
WCF Interest on Loans	-	-	-	-	-	-
Total Spread	**9,449**	**14,183**	**23,632**	**38,721**	**-39.0%**	**(15,089)**
Investment Earnings, Grant Income, Other						
Investment Earnings - MMDT	-	-	-	-	-	-
Investment Earnings - Other	-	-	-	-	-	-
Grant Income	-	-	-	-	-	-
Other Income	-	-	-	-	-	-
Total Investment Earnings, Grant Income, Other	**-**	**-**	**-**	**-**	**-**	**-**
Total Operating Revenues	**$ 9,449**	**$ 16,921**	**$ 26,370**	**$ 42,414**	**37.8%**	**$ 16,044**
DIRECT EXPENSES						
Administrative Expenses						
Personnel & Payroll Added Costs	$ -	$ -	$ -	$ -	-	-
Professional Services	-	-	-	-	-	-
Information Technology	-	-	-	-	-	-
Leased Office Space	-	-	-	-	-	-
Operating Costs	-	-	-	-	-	-
Asset Protection	75	-	75	25	200.0%	50
Miscellaneous Expenses	-	-	-	500	-100.0%	(500)
Grant Expenditures	-	-	-	-	-	-
Insurance Claims	-	-	-	-	-	-
Total Direct Expenses	**$ 75**	**$ -**	**$ 75**	**$ 525**	**-85.7%**	**$ (450)**
Investment in Future Income						
Servicing Rights Purchases (Production)	$ -	$ -	$ -	$ -	-	$ -
HomeOwnership Origination Fee (MBS Purch)	2,550	-	2,550	4,600	-44.6%	(2,050)
Costs of Issuance	2,550	2,300	4,850	4,805	0.9%	45
Total Investment in Future Income	**$ 5,100**	**$ 2,300**	**$ 7,400**	**$ 9,405**	**-21.32%**	**$ (2,005)**
NET INCOME	**$ 4,274**	**$ 14,621**	**$ 18,895**	**$ 32,484**	**-41.8%**	**$ (13,589)**

MassHousing
Combined HomeOwnership Operations
Proposed Fiscal Plan For FY 2021
Exhibit 4
(000's Omitted)

	Home Ownership Bond Programs	WCF - Home Ownership	FY 2021 Budget Total	FY 2020 Budget Total	Budget to Budget % Change	Budget to Budget $ Change
REVENUES						
New Lending						
Premiums on Loans Sold	$ -	$ 4,050	$ 4,050	$ 3,150	28.6%	$ 900
Transaction & Underwriting Fees	-	635	635	825	-23.1%	(190)
Warehousing/Construction Notes, net	-	1,075	1,075	413	160.3%	662
Fees - Other (AHT, Other)	-	-	-	-	-	-
Total New Lending Income	**-**	**5,760**	**5,760**	**4,388**	**31.3%**	**1,372**
Servicing						
Override/Servicing Fee Income	-	11,146	11,146	12,494	-10.8%	(1,348)
GNMA/FFB Servicing Fee Income	-	-	-	-	-	-
Total Servicing Income	**-**	**11,146**	**11,146**	**12,494**	**-10.8%**	**(1,348)**
Spread						
Bond Program Net Interest Spread	9,449	-	9,449	14,553	-35.1%	(5,104)
Risk Share Fee Income	-	-	-	-	-	-
Loan Prepayment Fees	-	-	-	-	-	-
WCF Interest on Loans	-	-	-	-	-	-
Total Spread	**9,449**	**-**	**9,449**	**14,553**	**-35.1%**	**(5,104)**
Investment Earnings, Grant Income, Other						
Investment Earnings - MMDT	-	-	-	-	-	-
Investment Earnings - Other	-	-	-	-	-	-
Grant Income	-	-	-	-	-	-
Other Income	-	-	-	-	-	-
Total Investment Earnings, Grant Income, Other	**-**	**-**	**-**	**-**	**-**	**-**
Total Operating Revenues	**$ 9,449**	**$ 16,906**	**$ 26,355**	**$ 31,435**	**16.2%**	**$ 5,080**
DIRECT EXPENSES						
Administrative Expenses						
Personnel & Payroll Added Costs	$ -	$ 10,885	$ 10,885	$ 10,668	2.0%	$ 217
Professional Services	-	783	783	920	-14.9%	(137)
Information Technology	-	2,584	2,584	1,609	60.6%	975
Leased Office Space	-	958	958	952	0.6%	6
Operating Costs	-	652	652	645	1.1%	7
Asset Protection	75	-	75	125	-40.0%	(50)
Miscellaneous Expenses	-	-	-	(250)	-100.0%	250
Grant Expenditures	-	-	-	-	-	-
Insurance Claims	-	-	-	-	-	-
Total Direct Expenses	**$ 75**	**$ 15,862**	**$ 15,937**	**$ 14,669**	**8.6%**	**$ 1,268**
Investment in Future Income						
Servicing Rights Purchases (Production)	$ -	$ 5,300	$ 5,300	$ 6,125	-13.5%	$ (825)
HomeOwnership Origination Fee (MBS Purch)	2,550	-	2,550	4,600	-44.6%	(2,050)
Costs of Issuance	2,550	-	2,550	2,505	1.8%	45
Total Investment in Future Income	**$ 5,100**	**$ 5,300**	**$ 10,400**	**$ 13,230**	**-21.39%**	**$ (2,830)**
NET INCOME	**$ 4,274**	**$ (4,256)**	**$ 18**	**$ 3,536**	**-99.5%**	**$ (3,518)**

MassHousing
Combined Rental Operations
Proposed Fiscal Plan For FY 2021
Exhibit 5
(000's Omitted)

	Rental Bond Programs	WCF - Rental	FY 2021 Budget Total	FY 2020 Budget Total	Budget to Budget % Change	Budget to Budget $ Change
REVENUES						
New Lending						
Premiums on Loans Sold	$ -	$ 2,500	$ 2,500	$ 2,475	1.0%	$ 25
Transaction & Underwriting Fees	-	13,750	13,750	13,225	4.0%	525
Warehousing/Construction Notes, net	-	(1,177)	(1,177)	384	-406.5%	(1,561)
Fees - Other (AHT, Other)	-	694	694	660	5.2%	34
Total New Lending Income	**-**	**15,767**	**15,767**	**16,744**	**-5.8%**	**(977)**
Servicing						
Override/Servicing Fee Income	2,738	25,377	28,115	24,461	14.9%	3,654
GNMA/FFB Servicing Fee Income	-	7,680	7,680	6,912	11.1%	768
Total Servicing Income	**2,738**	**33,057**	**35,795**	**31,373**	**14.1%**	**4,422**
Spread						
Bond Program Net Interest Spread	14,183	-	14,183	23,418	-39.4%	(9,235)
Risk Share Fee Income	-	2,750	2,750	2,700	1.9%	50
Loan Prepayment Fees	-	750	750	750	0.0%	-
WCF Interest on Loans	-	7,082	7,082	6,703	5.7%	379
Total Spread	**14,183**	**10,582**	**24,765**	**33,571**	**-26.2%**	**(8,806)**
Investment Earnings, Grant Income, Other						
Investment Earnings - MMDT	-	-	-	-	-	-
Investment Earnings - Other	-	-	-	-	-	-
Grant Income	-	-	-	-	-	-
Other Income	-	-	-	-	-	-
Total Investment Earnings, Grant Income, Other	**-**	**-**	**-**	**-**	**-**	**-**
Total Operating Revenues	**$ 16,921**	**$ 59,406**	**$ 76,327**	**$ 81,688**	**6.6%**	**$ 5,361**
DIRECT EXPENSES						
Administrative Expenses						
Personnel & Payroll Added Costs	$ -	$ 20,345	$ 20,345	$ 19,174	6.1%	$ 1,171
Professional Services	-	838	838	517	62.1%	321
Information Technology	-	400	400	382	4.7%	18
Leased Office Space	-	1,900	1,900	1,826	4.1%	74
Operating Costs	-	260	260	286	-9.1%	(26)
Asset Protection	-	-	-	-	-	-
Miscellaneous Expenses	-	-	-	-	-	-
Grant Expenditures	-	-	-	-	-	-
Insurance Claims	-	-	-	-	-	-
Total Direct Expenses	**$ -**	**$ 23,743**	**$ 23,743**	**$ 22,185**	**7.0%**	**$ 1,558**
Investment in Future Income						
Servicing Rights Purchases (Production)	$ -	$ -	$ -	$ -	-	$ -
HomeOwnership Origination Fee (MBS Purch)	-	-	-	-	-	-
Costs of Issuance	2,300	-	2,300	2,800	-17.9%	(500)
Total Investment in Future Income	**$ 2,300**	**$ -**	**$ 2,300**	**$ 2,800**	**-17.86%**	**$ (500)**
NET INCOME	**$ 14,621**	**$ 35,663**	**$ 50,284**	**$ 56,703**	**-11.3%**	**$ (6,419)**

Exhibit 6

Glossary of Terms used in MassHousing's Fiscal Plan for FY 2021

This material provides a brief explanation of the various revenue and expense categories that are used throughout this Fiscal Plan. This guide does not present textbook definitions of these terms, but describes how certain types of transactions are recognized.

Operating Revenues

- **New Lending Income**
  This income is earned and recognized at the time of the loan funding. This includes the following:

  - Premiums earned on loans that are securitized and sold to the secondary market.

  - Transaction/underwriting fees include application and financing fees charged for Rental Lending loan commitments and closings. In HomeOwnership, these include borrower processing fees and FNMA recourse fees. Fees also include premiums and renewals earned by the Mortgage Insurance Fund (MIF).

  - Warehousing, which represent the interest earned on loans that are initially funded through the Working Capital Fund (WCF). The WCF serves as a temporary funding source for Home Ownership lending activity, pending subsequent sale of the loans, or loans wrapped by MBS, either to outside investors or to one or more of MassHousing's bond programs. The warehousing interest earned is offset by the interest expense of the line of credit, which is used to fund the purchase of these loans.

  - Construction Loans/Notes, which represents the interest earned on construction loans offset by the interest expense of the construction loan notes used to fund the financing of these loans.

- **Servicing Income**
  Servicing income includes loan servicing fees, including GNMA/FFB service fees, contract administration fees from HUD, as well as fees charged to participants of the Tenants' Assistance Program (TAP).

- **Net Interest Spread**
  This includes the following:

  - Bond Program Net Interest Spread, which represents the interest earned in the bond resolutions on its loans and investment earnings offset by the interest expense of the bonds used to fund the financing of these loans and financing costs.

  - In addition, there are fees which are unique to certain resolutions such as remarketing and liquidity fees applicable in the case of variable rate bonds. Lastly, certain resolutions have financed Section 8 developments subsidized with a so-called Financing Adjustment Factor (FAF). The bonds financing these developments were refunded in prior years with the resulting interest rate savings being shared equally with HUD and booked as Financing Costs.

- Risk Share Fee Income, which represents the fees earned for bearing a risk loss for loans funded under the Risk Sharing Program for Insured Affordable Multi Family Project Loans (Risk-Sharing Program), which is administered by HUD.

- Loan Prepayment Fees, which is a fee received to recapture the interest lost when a loan is paid off before its scheduled maturity date.

- WCF Interest on Loans, which represents a limited number of loans (i.e., Section 8 recapitalization second mortgages, mortgage increases, Priority Development Loans, Home Ownership construction loans, etc.) that have been funded out of WCF in lieu of issuing bonds, or on an interim basis pending the issuance of bonds. In addition, loans funded through an advance of funds from the Federal Home Loan Bank of Boston are booked to WCF.

- **Investment Earnings-MMDT**
  Earnings from investments held by MassHousing in WCF and the Opportunity Fund, excluding Construction Loan Notes, and MIF.

- **Investment Earnings-Other**
  Earnings from investments held by MIF.

<u>Direct Expenses</u>

- **Administrative Expenses**
  Administrative expenses booked to WCF refer to the cost of doing business, including such costs as all personnel and operating expenses, professional service contracts, leasehold obligations (net of sublease income), and depreciable capital items (e.g., computer equipment). Administrative expenses also include the continuing support of community services such as TAP (Tenants' Assistance Program) and Youth RAP (Residents' Activities Program). This line item also funds the provision of technical assistance and other resources targeting minority-owned and woman-owned business enterprises (MBEs & WBEs) in industries related to housing construction and management. Costs associated with crime prevention, youth development and community engagement that are provided to certain MassHousing developments are also included in this item.

  Administrative expenses booked to the bond resolutions refer to fees paid to the trustees of our bond resolutions (e.g., US Bank, Wells Fargo, Bank of New York Mellon) as well as our HomeOwnership loan servicers (e.g., First Eastern Mortgage Corporation).

- **Asset Protection**
  Asset protection refers to expenses incurred to stabilize properties in the portfolio which are considered to be "at-risk". Such expenses might include an emergency repair of a physically distressed building in the portfolio which does not have the necessary resources to pay for the repair on its own.

- **Miscellaneous**
  Miscellaneous expenses are those not included elsewhere and non-operating type of disbursements such as payments and contributions.

- **Grant Expenditures**
  Grants expended to further the Agency's mission, which include grants for the Center for Community Recovery Innovations (CCRI) and the Opportunity Fund.

- **Insurance Claims**
  Insurance claims refer to claims paid by MIF on loans insured by the Fund, or partial claims paid with various risk-share partners.

<u>Investment in Future Income</u>

- **Servicing Rights Purchases**
  The cost to acquire the rights to service, and earn a servicing fee, over the life of the loans.

- **HomeOwnership Origination Fees**
  The cost that the Single-Family Housing Revenue Bond Program (SFHRB) pays for MBS investments to the WCF as reimbursement for the premium that the WCF paid to purchase loans that are subsequently securitized. This amount approximates 2% of the loan amount purchased.

- **Cost of Issuance**
  Financing costs include the costs to issue and refund bonds such as those fees paid to the bond underwriting team and selling group, bond counsel, rating agencies, as well as any ancillary expenses.

Vote Creating a Mortgage Insurance Fund (“MIF”) Committee

Colin McNiece presented a proposal for the creation of a MassHousing MIF Committee.

Fannie Mae’s and Freddie Mac‘s updated Private Mortgage Insurance Eligibility Requirements (PMIERS) became effective December 31, 2019. Although the PMIERS applies to private mortgage insurers, Fannie and Freddie intend that MassHousing’s Mortgage Insurance Fund (MIF), as a Fannie and Freddie approved mortgage insurer, meet the terms of the PMIERS to the extent reasonable and appropriate. Fannie and Freddie have laid out the application of PMIERS to MIF in a series of exceptions, amendments, and acknowledgments.

PMIERS generally requires a separation of responsibilities among sales and risk management. In its exceptions letter Freddie acknowledged that the managing director of MassHousing MIF also plays roles in business development, underwriting and risk management, and is also involved in the development and management of homeownership programs for MassHousing. However, it also noted that MIF must nevertheless take appropriate steps, including using appropriate information barriers and separation of roles and function, to monitor and avoid potential conflicts of interest.

Beginning in January, certain sales and product development functions of MIF were separated from underwriting and risk functions at the staff level. In furtherance of MIF’s compliance with PMIERS and best practices for oversight of the separation of functions, staff now also recommends establishing a committee for the MIF to provide oversight and policy guidance.

From the date of MIF’s creation in 1988 through 2009, the Agency had a separate board subcommittee charged with providing oversight of the on-going performance of the MIF. In 2009 the MIF was included in a revised scope of the Homeownership Committee. However, the scope of the Homeownership Committee also includes all matters relating to the homeownership business line and to MIF and includes both marketing and product development along with risk and policy matters. Staff recommends that establishing a separate committee would provide the benefit of oversight and guidance with respect to performance and policy matters through a mix of board representation, staff perspectives, and outside expertise.

Carolina Avellaneda asked is the MIF committee will be a board committee. Colin McNiece replied it will follow the same rules as a public meeting and will operate as all MassHousing committees operate.

Chairman Dirrane noted the significance of the MIF and asked if any of the other Members is interested in participating. Chairman Dirrane also said he would be happy to chair this committee.

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

VOTED: That a committee, designated as the “MassHousing MIF Committee”, is hereby created to provide oversight of the performance and policies of the Massachusetts Housing Finance Agency Mortgage Insurance Fund, and shall be comprised of key staff members of MassHousing, one member of the Board, and one additional member designated by the Board, who may or may not be a Member of the Board, as follows:

Financial Director, ex officio

Comptroller, ex officio

Vice President of Home Ownership Programs, ex officio

Designated Board Member

Designee of the Board

The members who are staff of MassHousing shall serve so long as they hold the designated position and the other members shall serve at the pleasure of the Board. The members of the committee, including those who are MassHousing staff, would serve without any additional compensation but shall be entitled to receive reimbursement for their own reasonable out-of-pocket expenses.

FURTHER VOTED: That the designated Board Member for the MassHousing MIF Committee and the designee of the Board, respectively, shall be as follows:

Designated Board Member: Michael Dirrane

Designee of the Board: Peter Milewski (effective July 1, 2020)

FURTHER VOTED: That, until and unless a different schedule is desired by the MassHousing MIF Committee or the Board, the Financial Director, or his or her designee, shall report not less than quarterly to the MassHousing MIF Committee and annually to the Board, on the activity and performance of the Mortgage Insurance Fund.

Sergio Ferreira, Director of Rental Underwriting discussed the Agency's COVID-19 underwriting guidance that may recommend a "debt service reserve escrow" for certain non- tax credit transactions. Mr. Ferreira stated the Agency had rolled out flexible guidance, rather than formal policy, at a high level. He explained that there are two types of transactions for these purposes: tax credit projects, which would continue to require "operating reserve escrows" that mirror their tax credit investor requirements, and non-tax credit deals where the guidelines would call for a case-by-case review to determine whether the need for a debt service reserve escrow exists. Such a determination would be evaluated by the assigned underwriter/originator team with a recommendation to senior Rental staff that would be based on the mitigants in place, such as whether there is a subsidy contract, high borrower capacity and strong projected debt service coverage, etc. The guidance is not a permanent underwriting change, but would only be in place through CYE2020 at which time senior leadership will evaluate market conditions. It will be particularly important when there is a large equity "take-out", as the Agency will ensure properties will be prudently underwritten.

Loan Committee

Town Brook House - Quincy

Sarah Hall presented a proposal for a Commitment of a First Mortgage Loan for Town Brook House in Quincy. Town Brook House is a 151-unit HUD Section 202 development in Quincy. The Sponsor has requested a permanent loan to repay existing Agency debt, fund repairs, recapitalize the replacement reserve account, and withdraw equity. The equity take-out will be invested in the Sponsor's nonprofit mission, which includes providing services for new immigrants and developing more affordable housing.

Town Brook House is located in North Quincy on a mostly flat 4.92-acre site and includes an 8-story building and a parking area with 91 parking spaces. The property is landscaped with lawns, shrubberies, and plantings and a patio area with a gazebo is located behind the building. Surrounding uses are residential and commercial. The site is located in an area of elevated flood risk; flood insurance is in place and will be required going forward. All 151 units are in a single 8-story steel frame building with brick veneer originally constructed in 1980. In addition to the residential units, there is a common area lounge, activity room, and shared kitchen.

Of the 151 units, 150 are subsidized by a Project-Based Section 8 Contract, set to be renewed under Mark-up-to-Market as part of this transaction.

A nonprofit affiliate of the sponsor currently owns the property and as part of this transaction, will transfer ownership to a newly formed sole-asset, single-purpose entity. Upon a motion duly made and seconded, it was, by roll call vote, approved by all Members.

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 $28,994,000, such first loan to be insured under the HUD HFA Risk Sharing Program, to be made to Bracket Brook Limited Partnership or another single-purpose, sole-asset entity controlled by Wollaston Lutheran Housing, Inc. (the "Borrower") as owner of the multifamily residential development known as "Town Brook House" and located in Quincy, Massachusetts (the "Development"), and in accordance with the applicable general closing standards and delegations of authority previously approved, and further subject to (1) compliance with all applicable laws and all regulations and requirements of applicable financing programs, and (2) the following special conditions:

1. The required zoning diligence shall include a legal analysis, in form and substance acceptable to MassHousing, confirming that the Development is, and upon execution of the proposed commercial lease to lease a portion of the Development's on-site parking spaces for the use of the

lessee will remain, in compliance with applicable zoning and permitting requirements.

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:

150 units (99%) 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

Note: The market needs data reflects the information available to Appraisal and Marketing staff as of the date of collection May 8, 2020 and may not fully incorporate the potentially adverse impact(s) that the ongoing COVID-19 virus may have on the overall economy or on the local housing markets. The global outbreak of the "novel coronavirus' known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO) on March 11, 2020. Further, the reader is cautioned and reminded that any observations, comparisons, and/or conclusions are based on the data as of the aforementioned collection date.

In-house data for larger market and mixed-income complexes (1,144 approximate units) in the area revealed a strong market, with increasing rental and occupancy rates over the last three years. Current occupancy rates of the five developments reviewed averaged approximately 95.1%, and range between 95% and 97%. Three of the of the five comparables reviewed were offering rental concessions including reduced security deposits and a $750 gift card if leased by 5/31. My review of similar mixed income/subsidized portfolio properties (708 units) demonstrated a weighted average vacancy rate of approximately 1.57 %. The subject property has operated as a Section 8 elderly Property since approximately 1980 and based on historical data the property had an average a vacancy rate of .49 % over the last five years.

CoStar data for the subject's Quincy/Milton/Randolph submarket (10,506 units) has an overall vacancy rate at 4.9% YTD, which is a decrease of 1.03% from one year ago. CoStar data for the Boston market (225,044 units) has an overall vacancy rate of 6.3% YTD, which is an increase of 1.63% from one year ago. The Quincy/Milton/Randolph rate is projected to increase to 7.3% over the next five years, while the Boston Market is projected to increase to 6.9%.

CoStar, submarket data for the 4-5 Star building type (3,386 units) indicates a 1st Qtr. 2020 vacancy rate of 6.9% and an average asking rent of $2,315, while submarket data for the subject's 3 Star building type (4,689 units) indicates a 1st Qtr. 2020 vacancy rate of 4.0% at an average asking rent of $2,012. 1-2 Star buildings (2,431 units) indicate a 1st Qtr. 2020 vacancy rate of 3.5% at an average asking rent of $1,632. 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 (9/14/17), the city of Quincy has 42,547-year-round housing units, 4,096 (9.6%) of which are subsidized for low/moderate income households.

Further, the Quincy Housing Authority (QHA) owns and /or operates 5 Family Public Housing developments which contain approximately 651 one-five-bedroom rental units of which 9 are handicap accessible and 7 Elderly/Disabled developments that contain 930 one-bedroom rental units, of which 29 units are wheelchair accessible. Per the representative of QHA, there are 2,681 on the Elderly/Disabled Public Housing waiting list and 638 on the Family Public Housing waiting list. The family list was closed from February 28, 2013 to January 3, 2018.

QHA also administers 1,180 Section 8 Housing Vouchers. Per the Quincy Housing Authority, they participate in the centralized waiting list administered through the state and believe there are thousands on that list, but do not have specifics on the centralized list. The family wait list is closed but the elderly housing wait list is still open. QHA leases a total of four facilities to the Commonwealth of Massachusetts Department of Mental Health and/or the Department of Mental Retardation as group homes for disabled clients

U.S. Census data from the 2014-2018 American Community Survey (ACS) indicates that of the 40,199 households in the City of Quincy, approximately 68.1% earned less than the HUD published 2020 AMI ($119,000), approximately 43% earned less than 50% of 2020 AMI, approximately 51.4 % earned less than 60% of the 2020 AMI and approximately 59.1% 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
Number of Units	136	15
Net SF/Unit	540	760
Elev./Non-Elev.	E	E
Market Rate Rent (insert)	$3,051	$ 3,451
MHFA Below Market Rent (Cost-Based Rent)	$2,000	$2,400
MHFA Adjusted Rent	30% of 80% AMI	
Underwriting Rents		
Project-Based Section 8	$2,000	$2,400

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.

School House Brookledge Cummins - Dorchester

Jeff Geller presented a proposal for Approval to Accept Assignment of a HUD-Issued Firm Commitment for FHA Insurance, Commitment of a First Mortgage Loan and Approval to Finance the New Loan through the Issuance of a Ginnie Mae MBS.

The Loan proceeds will be used to pay off the MassHousing loan, repay the Affordable Housing Trust Fund (AHTF) subordinate debt, repay the Massachusetts Housing Partnership Fund CIPF subordinate debt, repay the State Historic Tax Credit loan, repay the Madison Park Development Corporation loan, fully fund the replacement reserves, complete critical and non-critical repairs, and withdraw equity.

60 Brookledge Street is located on a residential street one block from Franklin Park in Dorchester. 610 Cummins Highway is located on a major thoroughfare between Mattapan Square and Roslindale Village. The combined parcels are situated on 2.03 acres.
The Brookledge building is a three-story multi-family brick building constructed in 1910 and renovated in 2008. The building features 24-hour security coverage at the front entrance. 610 Cummins Highway is a three-story building for elderly and non-elderly disabled tenants constructed in 1980, also renovated in 2008.

All 90 units are covered under a single Project-Based Section 8 contract.

School House Brookledge Cummins Limited Partnership is the current owner and will retain ownership of the buildings.

Rockport Mortgage Corporation is requesting FHA mortgage insurance in the amount of $14,840,000. The proceeds will be used to repay $1,493,101 in existing first mortgage indebtedness, repay the $1,000,000 Affordable Housing Trust Fund loan, the $1,400,000 CIPF loan, the $1,395,351 State Historic Tax Credit loan and the $1,367,695 Madison Park Development Corporation loan, complete approximately $146,471 in critical and non-critical repairs, fund an initial deposit to replacement reserves of $1,000,00 ($11,111 per unit), and fund an equity take-out of $6,697,472. Rental Management has reviewed the project's reserves and upon funding will restore the Physical Condition risk rating to an A.

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 $14,840,000, 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 $20,034,000 nor less than $9,646,000 to School House Brookledge Cummins Limited Partnership (the "Borrower") for School House Brookledge Cummins and (2) to make the FHA-insured first mortgage loan to the Borrower in the approximate amount of $14,840,000 (the "New Loan"), subject to the limitation that the final amount of such loan shall not be more than $20,034,000 nor less than $9,646,000 on terms acceptable to MassHousing, 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 authorized under the Ginnie Mae resolution adopted by the Agency on May 14, 2019, 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 School House Brookledge Cummins.

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:

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

90 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.

7. Shortage of Affordable Housing Units in the Market Area

In-house data for larger market and mixed-income complexes (approximately 723 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 96.2%, and range between 94.5% and 100%. The subject property has operated as a Section 8 elderly Property and based on historical data the property had an average vacancy rate of 1.21% over the last five years. My review of similar mixed-income/subsidized portfolio properties (1,125 units) demonstrated a weighted average vacancy rate of approximately .91%

CoStar data for the subject's JP/Roslindale submarket (5,983 units) has an overall vacancy rate at 10.3% YTD, which is an increase of 5.3% from one year ago. CoStar data for the Boston market (224,804 units) has an overall vacancy rate of 6.34% YTD, which is an increase of 1.57% from one year ago. The JP/Roslindale rate is projected to decrease to 7.2% over the next five years, while the Boston Market is projected to increase to 6.9%.

CoStar, submarket data for the 4-5 Star building type (1,492 units) indicates a 1st Qtr. 2020 vacancy rate of 28.3% and an average asking rent of $2,813, while submarket data for the subject's 3 Star building type (2,061 units) indicates a 1st Qtr. 2020 vacancy rate of 5.0% at an average asking rent of $2,004. 1-2 Star buildings (2,430 units) indicate a 1st Qtr. 2020 vacancy rate of 3.7% at an average asking rent of $1,556. The development along with its amenities, more closely reflects the 3 Star building type, and is reflected in both the vacancy rate and market rent potential. The reason for the high vacancy rate of the 4-5 Star building type is because 5 of the 13 properties in this category are new construction and have vacancy rates between 24.3% and 50.7% as of May 11, 2020.

According to the Department of Housing and Community Development's (DHCD) Chapter 40B Subsidized Housing Inventory (9/14/17), the City of Boston has 269,482 year round housing units, 51,283 (19%) of which are subsidized for low/moderate income households.

According to the Boston Housing Authority's (BHA) 5 year plan (2015-2019), the BHA owns and operates 63 family and elderly/disabled developments with a total of 10,343 units. The BHA also administers 14,481 Housing Choice Vouchers. In addition, the City of Boston's Annual Plan (FY2018) indicated that the BHA maintains the following wait lists: There are 1,102 households on the Section 8 tenant-based assistance wait list, including 840 families with children, 256 families with disabilities and 40 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 34,949 households including 14,720 families with children, 9,524 families with disabilities, and 4,154 elderly families. The BHA had single applicants on the waiting list, as well as families that fit into one or more categories. This waiting list is open. The BHA owns and/or operates approximately 63 housing developments of which 36 are elderly/disabled, and 27 are family, for a total of 12,623 housing units.

U.S. Census data from the 2014-2018 American Community Survey (ACS) indicates that of the 274,674 households in the City of Boston approximately 68.3% earned less than the HUD published 2020 AMI ($119,000), approximately 45.4% earned less than 50% of 2020 AMI, approximately 51.7 % earned less than 60% of the 2020 AMI, and approximately 59.4% earned less than 80% of the 2020 AMI.

8. 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.

9. 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.

10. 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	57	33
Net SF/Unit	584	805
Elev./Non-Elev.	Elev.	Elev.
Market Rate Rent	$2,798	$3,292
(10% Rate 20 Yr. Term)		
MHFA Below Market Rent	$1,876	$2,370
(Cost-Based Rent)		
MHFA Adjusted Rent	30% of 80% of AMI	
Underwriting Rents		
Project-Based Section 8 (Brookledge)	$2,050	$2,575
Project-Based Section 8 – 80% AMI (Brookledge)	$1,861	$2,224
Project-Based Section 8 (Cummins)	$1,760	$2,020
Project-Based Section 8 – 80% AMI (Cummins)	$1,760	$2,020

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.

Orient Heights – Phase Three - Boston

Greg Watson presented a proposal for Official Action Status for Orient Heights – Phase Three in Boston. Trinity Financial is redeveloping a portion of the Orient Heights state public housing development, which is currently comprised of state public housing units owned/operated by the Boston Housing Authority (BHA). Phase Three includes the demolition of 5 existing buildings on site and the construction of 81 new units in a combination of townhouse and midrise style buildings. In addition to the new construction, Phase Three will include the rehabilitation of 42 existing units in 7 row house style buildings. In total, Phase Three will include 123 replacement public housing units. The project will also include public right of way improvements to a portion of Vallar Road and Faywood Avenue, as well as open space improvements. The project is the third and final phase of a comprehensive, multi-phased master-planned redevelopment for the BHA's Orient Heights state public housing development. Upon completion, the collective three-phase effort will yield 331 units of 1-for-1 replacement public housing, all of which will be deed restricted as affordable to low-income households. Residential units will range from one to four bedrooms. Trinity will enter into a 99-year ground lease with a BHA affiliate.

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

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 "Orient Heights Phase Three" (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 $40,000,000 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. Trinity Financial, Inc. (the "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.

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

Chairman Dirrane asked for a motion to adjourn the meeting at 3:15 p.m. Upon a motion duly made and seconded it was

VOTED: To adjourn the MassHousing meeting at 3:15 p.m.

A true record.

Attest.

Colin M. McNiece
Secretary