Minutes of the Regular Meeting
of the Members of MassHousing
held on
November 14, 2023

The regular meeting of the Massachusetts Housing Finance Agency – doing business as MassHousing was held on November 14, 2023. 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
Carolina Avellaneda, Vice Chair
Tom Flynn
Patricia McArdle
Kaitlyn Connors, Designee of Matthew Gorzkowicz, ex officio
Herby Duverné
Edward Augustus, ex officio
Carmen Panacopoulos
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*

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 (Edward Augustus joined following the approval of the minutes), it was:

VOTED: That the minutes of the Regular Meeting of the Members held on October 10, 2023 are hereby approved and placed on record.

Equitable Developer Fund Update

Tony Richards, Vice President of Equitable Business Development, gave an update on the Equitable Developer Fund. Mr. Richards began by stating the intent of the Equitable Developers Fund is to expand opportunities to diversify the affordable housing developer community by increasing their access to growth capital. This will create jobs and increase workforce opportunities. The Fund will invest in underserved and underinvested communities while increasing housing affordability.

Mr. Richards went on to discuss the recent statewide Emerging Developer Listening Tour by MassHousing which was designed to identify opportunities, disparities and solutions to increase diverse developer participation in the affordable housing ecosystem. MassHousing built a database and engaged with a vast network of diverse real estate professionals and engaged over 300 emerging developers. The overwhelming top challenge voiced by these emerging developers was the lack of access to capital.

The Equitable Developers' Fund was seeded with $50 million to support the growth of eligible developers to increase housing opportunities across the Commonwealth. MassHousing expects to engage a fund administrator to support program implementation and provide technical assistance.

Mr. Richards continued by explaining program eligibility. Developer eligibility will be based on the controlling individual(s) being socially disadvantaged, the development entity is economically disadvantaged and developers must have at least one residential development under control in pre-development phase. In addition, the eligible projects must be in Gateway cities, qualified census tracts or communities disproportionately impacted by the pandemic and at least 10% of the units shall be affordable to those earning up to 80% of Area Median income ("AMI".)

Jerry Feldman asked how many eligible cities there are and Mr. Richards replied there are 26 Gateway cities as well as Boston, Randolph and Framingham. Carolina Avellaneda asked if there is enough information available out there regarding this new program and whether other resources would be available. Mr. Richards described the pipeline of assistance that is being development and Ms. Kornegay added that there are various strategies being undertaken by various stakeholders but that the agency is focused on one of the biggest gaps in the ecosystem and building this program to address it. We are considering different strategies with both the city of Boston and the Commonwealth to identify land for development and to prioritize BIPOC development. Chair Pinado asked when the RFP for a manager would go out and Mr. Richards responded that it would go public sometime after January 1, 2024. Carmen Panacopoulos asked if these deals would go to Mark Teden's group for underwriting. and about exposure to the Agency. Mr. Richards noted that we would look to the fund manager to undertake underwriting and Ms. Kornegay added that these are not loans but grants to developers and we will not be underwriting particular deals. Herby Duverné commented that he thinks this will be a great program and has his full support. The motto of government housing should be "build more, build now and do as much as possible."

Loan Committee

Aurora Hotel, Worcester

Bill Dunn presented a proposal for Official Action Status, Commitment of a Construction/Permanent Tax-Exempt Loan, Commitment of a Tax-Exempt Construction Bridge Loan and Approval for the use of Low-Income Housing Tax Credits for Aurora Hotel in Worcester.

The Aurora (the "Development") is a rehabilitation of the development formerly known as Aurora Hotel. The building was first converted into residential housing in the late 1980s and has not been fully renovated since. As part of Worcester's urban renewal plan, the rehabilitation will reposition the Development in the developing part of the city.

Conversion of the former hotel was financed through the State Housing Assistance Program for Rental Production ("SHARP") with a permanent mortgage from the Agency in 1987. Additional financing to address operational shortfalls and capital needs was provided in 1992, 1995 and 1999.

In 2016, the Agency approved a restructuring and forgiveness of the existing debt and approval for a new SHARP capital needs loan. Work completed as part of this loan included masonry repointing, installation of new windows, roof repair, security enhancements, and unit appliance and finish upgrades.

The refinancing proposed herein will leverage state and local subordinate financing as well as new project based rental vouchers paired with tax credit equity to recapitalize and renovate the Development.

The 19,384 square foot site has been home to the Aurora Hotel for over 100 years. The rehabilitation of this Main Street property will serve as a catalyst for investment in what is currently an underserved block in the Central Business District. The Development is located 2 blocks away from the new Polar Park and other recent developments. This location allows easy walkable access to downtown Worcester, a quick drive to I90, and access to public transportation.

The six-story Classical Revival building was built in 1898 and has elevator access to each of the six floors. The building was previously converted into housing for individuals in the 1980s and has been operated by The Community Builders, Inc. for over three decades. As is typical with this category of housing, the building has aged drastically and is in need of substantial rehabilitation. The scope of work will address major systems and infrastructure needs as well as unit improvements to the aged housing stock. The design and scope of work include elements of sustainable development practices as well as resilient design. Sustainable development practices include but are not limited to recycling of construction and demolition waste, use of FSC certified wood in a portion of the development, and use of low-VOC materials. Resilient design elements include but are not limited to interior shading devices, roof insulation beyond code and high albedo roofing.

All 85 units will be subject to income restrictions with set- asides ranging from 30% of Area Median Income ("AMI") to 60% of AMI. Fifty-two (52) units will benefit from project-based rental assistance, including an MRVP contract and a Section 811 contract. Of the 47 MRVP units, 22 are existing and 25 will be new contract units. Of the 5 Section 811 units, 1 is existing and 4 will be new contract units.

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 "The Aurora" (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 that such loan (a) be funded with proceeds of tax-exempt debt issued in the future and (b) reimburse, in accordance with Treasury Regulations Section 1.150-2, up to $12,000,000 of costs of the Development paid prior to the issuance of such debt or the making of such loan; provided that this vote does not require the Agency to make any expenditure, incur any indebtedness or proceed with the Development.

Official Action Status Findings

In accordance with the vote of the Members of MassHousing dated October 10, 2023, staff makes the following Official Action Status findings for the Development:

1. The mortgagor or sponsor has acceptable multifamily housing development experience and acceptable credit history.

2. The mortgagor, sponsor or affiliate under common control has demonstrated evidence of site control, which may include a deed, a ground lease, a purchase option, a contract of sale, or designation under a public land disposition process.

3. The site is acceptable for the proposed housing (if the loan would finance new construction).

4. There is a need for the proposed housing in the community where the site is located.

First & Bridge Mortgage Loans

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 $1,600,000, such first loan to be insured under the HUD HFA Risk Sharing Program; and (b) a subordinate equity bridge mortgage loan in a principal amount of up to $8,100,000, in each case to be made to Aurora Redevelopment LLC or another single-purpose entity controlled by The Community Builders, Inc. (the "Borrower") as owner of the multifamily residential development known as "The Aurora" (the "Development") and located in Worcester, 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: Approval by The Executive Office of Housing and Livable Communities to the terms of any proposed forgiveness or resubordination of the SHARP Funded New Capital Needs Loan Note (Aurora Hotel) dated as of February 26, 2016 in the amount of $1,950,000

4% Low-Income Housing Tax Credits

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 Worcester, Massachusetts and known as "The Aurora" (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 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:
85 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 market conditions as of the date of collection on September 15, 2023. The data is not subject to unanticipated events and circumstances that may occur after this date. Specifically, the subject's market area remains susceptible to the impacts of local, national, and international events that may include, but are not limited to, the effects of COVID-19, rising interest rates, or Russia's

invasion of Ukraine. Further, the reader is cautioned and reminded that the conclusions presented apply only as of the collection date.

In-house data for larger market and mixed-income complexes (1,048 approximate units) in the area revealed a strong market, with increasing rental and occupancy rates over that past three years. Current occupancy rates of the five developments reviewed averaged approximately 97.8%, and range between 95% and 100%. None of the comparables were offering concessions. The subject property has operated as a mixed income property since approximately 1986 and has had an average vacancy rate of 2.87% over the past 5 years.

3rd Qtr. 2023 CoStar data for the subject's Outlying Worcester County Submarket (13,805 units) has an overall vacancy rate at 2.9% YTD, which is an increase of 0.53% from one year ago. CoStar data for the Worcester market (29,841 units) has an overall vacancy rate of 3.2% YTD, which is an increase of .31% from one year ago. Outlying Worcester County Submarket vacancy rate is projected to increase to 3.7% over the next five years, while the Worcester market is projected to increase to 3.6%.

CoStar, submarket data for the 4-5 Star building type (1,290 units) indicates a 3rd Qtr. 2023 vacancy rate of 8.9% and an average asking rent of $2,300, while submarket data for the subject's 3 Star building type (4,727units) indicates a 3rd Qtr. 2023 vacancy rate of 2.3% at an average asking rent of $1,623 and 1-2 Star buildings(7,788 units) indicates a 3rd Qtr. 2023 vacancy rate of 2.3% at an average asking rent of $1,446. 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.

Based on information obtained from the City of Worcester's Five Year consolidated Plan, draft plan (2020-2025), Worcester Housing Authority (WHA), maintains The Worcester HousingAuthority (WHA) has over 3,000 public housing units. There is also 3,934 leased housing units in the City, overall the WHA maintains the following housing stock:

• 3000 public housing units
• 3934 leased housing units (3595 federal, 339 state)
• 24 separate developments
• 4 elderly only developments
• 12 elderly/young disabled
• 8 family developments
• Largest development is GBV (federal) Curtis (state) combination total 962 units
• 15 transitional housing units (15 state)
• 42 beds 689 developments (adults and adolescents with special needs)
• 423 DMH/DMR leased units (341 federal, 82 state)

The WHA administer close to 4,000 Section 8 Housing Choices Vouchers and since 2006, the WHA has been a member of the MassNAHRO, Section 8 Voucher Centralized Waiting list which is currently open, with a wait of up to 10 years for the

HCV. Per the consolidated plan, there are more than 12,300 families on the WHA combined public and leased housing waiting lists and the demand keeps growing. Approximately 10,650 applicants are on the waiting list for the Section 8 housing vouchers. WHA participates in the – Section 8 Centralized Waiting List , which remains open indefinitely.

According to the Executive Office of Housing and Livable Communities (EOHLC) Chapter 40B Subsidized Housing Inventory (06/29/23), the City of Worcester has 84,071 year-round housing units, 10,205(12.14%) of which are subsidized for low/moderate income households.

U.S. Census data from the 2015-2019 American Community Survey (ACS) indicates that of the 71,595 households in the City of Worcester, approximately 79.5% earned less than the HUD published 2023 AMI ($122,000), approximately 56.7% earned less than 50% of 2023 AMI, approximately 64.1% earned less than 60% of the 2023AMI and approximately 72% earned less than 80% of the 2023 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 areaof 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			
Number of Units		85			
Net SF/Unit		450			
Elev./Non-Elev.		Y			
Market Rate Rent		$1,194			
MHFA Below Market Rent		$1,132			
(Cost-Based Rent)					
MHFA Adjusted Rent		30% of 60% of Area Median Income			
Underwriting Rents					
MRVP 50% AMI 22		$1,208			
MRVP 30% AMI 25		$1,178			
LIHTC 60% AMI		$1,031			
Section 811 30% AMI		$1,229			

*UW rents are all Net Utility Allowance

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.

Westminster Village, Lowell

Bill Dunn 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.

Westminster Village (the “Development”) consists of 432 rental units for families in Lowell. The proposed loan will provide funds to repay the existing MassHousing debt, complete repairs, recapitalize replacement reserves, pay transaction costs and provide equity to the owner.

The Development is located along the Merrimack River, approximately four miles northwest from downtown Lowell. The City of Lowell provides a wide variety of retail stores, convenience stores, grocery stores, pharmacies, restaurants, coffee shops and other services including healthcare and recreation. Principal highways are U.S. Route 3 connecting the Boston area with Nashua, New Hampshire, and Interstate Route 495, the outer belt around Boston.

The Development consists of thirty-six (36) three-story buildings and a maintenance building. The buildings were constructed in 1970 and last renovated in 2012. Common areas include an outdoor swimming pool, a basketball court, a playground, common area laundry in each building, a business center and a community room with a kitchen. There are paved parking areas that provide parking for approximately 550 vehicles.

All 432 units at the Development are affordable to households at or below 60% of AMI under a low-income housing tax credit use restriction with a remaining term of 19 years. In addition, the Development benefits from a project-based Section 8 HAP Contract (the "Contract") covering 400 of the 432 units. In connection with the proposed refinancing, the Borrower will terminate the existing Contract and execute a new 20-year Contract at or prior to closing. The renewal will be pursuant to Option 5 of the Section 8 Renewal Guide.

There are 32 units rented in accordance with the Plan of Action pursuant to Title VI of the Low- Income Preservation and Resident Homeownerhip Act of 1990.

At closing, the MassHousing Disposition Agreement will be recorded ahead of the mortgage and will require 20% (87) of the units to be set-aside for households earning up to 80% of AMI. The Disposition Agreement will survive foreclosure with a minimum term of 15 years.

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 $85,925,200, 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 $115,999,020 nor less than $55,851,380, to Westminster Preservation, L.P. (the "Borrower") for Westminster Village and (2) to make the FHA-insured first mortgage loan to the Borrower in the approximate amount of $85,925,200 (the "New Loan"), subject to the limitation that the final amount of such loan shall not be more than $115,999,020 nor less than $55,851,380 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 Westminster Village.

STATUTORY FINDINGS AND DETERMINATIONS

Statutory Findings:

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

1. The affordability of rents for 20% of the units:
432 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 market conditions as of the date of collection on 10/25/23. The data is not subject to unanticipated local, national, and international events that may occur after this date. Further, the reader is cautioned and reminded that any conclusions presented apply only as of the collection date.

In-house data for larger market and mixed-income complexes (approximately 1,061 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 97.8%, and range between 95% and 99%. None of the comparables were offering rental concessions.

4th Qtr. 2023 CoStar data for the subject's Lowell/Dracut Submarket (6,896 units) has an overall vacancy rate at 2.8% YTD, which is a decrease of .54% from one year ago. CoStar data for the Boston market (269,403 units) has an overall vacancy rate of 5.4%

YTD, which is an increase of .56% from one year ago. The Lowell/Dracut Submarket vacancy rate is projected to increase to 2.9% over the next five years, while the Boston market is projected to decrease to 5.0%.

CoStar, submarket data for the 4-5 Star building type (778 units) indicates a 4th Qtr. 2023 vacancy rate 2.0% and an average asking rent of $2,333, while submarket data for the subject's 3 Star building type (2,967 units) indicates a 4th Qtr. 2023 vacancy rate of 3.5% at an average asking rent of $1,976 and 1-2 Star buildings (3,151 units) indicates a 4th Qtr. 2023 vacancy rate of 2.4% at an average asking rent of $1,624. 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 Executive Office of Housing and Livable Communities' (EOHLC) Chapter 40B Subsidized Housing Inventory (6/29/23), the City of Lowell had 43,370 year round housing units, 5,127 (11.82%) of which are subsidized for low/moderate income households.

The City of Lowell Consolidated Plan (7/1/20 – 6/30/24) the Lowell Housing Authority (LHA) owns/operates 1,699 units of Federal public housing (824 – family and 875 – elderly/disabled), and 198 units of state public housing. Per the LHA, they maintain 4,566 households on their publichousing wait lists (1,061 – Disabled; 304 – Elderly; 2,788 – Family; 413 – Single). They also administer a total of 1,396 Housing Choice Vouchers(HCV), 43 Massachusetts Rental Voucher Program Vouchers (MRVP), and 50 Lowell Rental Assistance Fund Program Vouchers (LRAP). Per the representative of Lowell Housing Authority there are 1,328 applicants on the HCV waiting list, 1,051 on the MRVP waiting list and 558 applicants on the LRAP waiting list.

U.S. Census data from the 2017-2021 American Community Survey (ACS) indicates that of the 42,285 households in the City of Lowell, approximately 76.4% earned less than the HUD published 2023 AMI (132,400), approximately 50.4% earned less than 50% of 2023 AMI, approximately 58.0% earned less than 60% of the 2023 AMI and approximately 63.3% earned less than 80% of the 2023AMI.

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 the surrounding community.

5. Elimination or Repair of Unsafe or Unsanitary Dwelling Units

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

Rental Determinations:

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

Rent Schedule:

Number of Bedrooms	0	1	2	3
Number of Units	36	180	198	18
Net SF/Unit	618	820	1050	1258
Elev./Non-Elev.	Non-Elev.	Non-Elev.	Non-Elev.	Non-Elev.
Market Rate Rent	$2,515	$2,703	$2,938	$3,165
MHFA Below Market Rent (Cost-Based Rent)	$1,797	$1,985	$2,221	$2,447
MHFA Adjusted Rent	30% of 80% of AMI			
Underwriting Rents				
Section 8 HAP	$1,845	$2,050	$2,300	$2,570
Plan of Action	$979	$1,151	$1,317	$357

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.

Bartlett Station F5, Boston (Roxbury)

Bill Dunn presented an overview of the multiple phases of the Bartlett Station development. Mike Carthas then presented a proposal for Official Action Status, Commitment of a Permanent Tax-Exempt Loan, Commitment of a Tax-Exempt Loan, Commitment of a Workforce Housing Loan and Approval for the use of Low-Income Housing Tax Credits for Bartlett Station F56 in Roxbury.

Bartlett Station F5 (the "Development") is a component of the fifth phase of the Bartlett Station redevelopment. The larger Bartlett Station project consists of a new 10-building, 367-unit mixed- use neighborhood of affordable, moderate, and market rate rental housing, senior housing, homeownership housing, and commercial and retail space. The proposed financing of the Development will support the creation of 44 affordable, mixed-income rental units, and a community space for the benefit of all Bartlett Station residents and the greater Roxbury community.

The Development is located on Bartlett Station Drive, which connects Washington Street and Bartlett Street in the Dudley (Nubian) Square Economic Development Area in Roxbury. The site is a 27,843-square-foot underutilized parcel of open land within walking distance to restaurants, cafes, shops, a Boston Public Library, and a transit hub at Dudley Station.

The Development will include forty-four (44) affordable rental units consisting of eight (8) one-bedroom units, twenty-eight (28) two-bedroom units and eight (8) three-bedroom units. The five-story building will consist of a lobby, two elevators, a multi-purposed community space, garage-covered parking with 33 spaces, and a bicycle storage area.

Bartlett F5's design and scope of work continues to demonstrate the Bartlett Station development team's commitment to green building and sustainability. The building is on track to meet LEED BD+C Multifamily Midrise requirements and is on target to achieve the GOLD level of certifiability. It will contribute to meeting the City of Boston's net-zero carbon goals and incorporates climate mitigation and resilience in the design.

All 44 units will be subject to income restrictions with set- asides ranging from 30% of Area Median Income ("AMI") to 80% of AMI. Twelve units will benefit from project-based rental assistance, of which eight (8) will benefit from a Project-Based Section 8 HAP contract and four (4) will benefit from Project-Based MRVP.Five (5) units will be restricted at 50% of AMI, seventeen (17) units will be restricted at 60% of AMI, and ten (10) Workforce Housing units will be restricted at 80% 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 "Bartlett Station F5" (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 that such loan (a) be funded with proceeds of tax-exempt debt issued in the future and (b) reimburse, in accordance with Treasury Regulations Section 1.150-2, up to $14,544,000 of costs of the Development paid prior to the issuance of such debt or the making of such loan; provided that this vote does not require the Agency to make any expenditure, incur any indebtedness or proceed with the Development.

Official Action Status Findings

In accordance with the vote of the Members of MassHousing dated October 10, 2023, staff makes the following Official Action Status findings for the Development:

1. The mortgagor or sponsor has acceptable multifamily housing development experience and acceptable credit history.
2. The mortgagor, sponsor or affiliate under common control has demonstrated evidence of site control, which may include a deed, a ground lease, a purchase option, a contract of sale, or designation under a public land disposition process.
3. The site is acceptable for the proposed housing (if the loan would finance new housing).
4. There is a need for the proposed housing in the community where the site is located.

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 $5,770,000 such first loan to be insured under the HUD HFA Risk Sharing Program; and (b) a subordinate equity bridge mortgage loan in a principal amount of up to $10,052,000, in each case to be made to Bartlett F5 LLC or another single-purpose entity controlled by Bartlett Place LLC (the "Borrower") as owner of the multifamily residential development known as "Bartlett Station F5" (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 $1,000,000 (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:To authorize the Chief Executive Officer 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 Chief Executive Officer 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.

4% Low-Income Housing Tax Credits

VOTED: That the amount of 4% Credits, as set by the Chief Executive Officer, 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 "Bartlett Station F5" (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 benefit
(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 Chief Executive Officer, 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

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:
34 units (77%) 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

Note: The market needs data reflects market conditions as of the date of collection on September 20, 2023. The data is not subject to unanticipated events and circumstances that may occur after this date. Specifically, the subject's market area remains susceptible to the impacts of local, national, and international events that may include, but are not limited to, the effects of COVID- 19, rising interest rates, or Russia's invasion of Ukraine. Further, the reader is cautioned and reminded that the conclusions presented apply only as of the collection date.

In-house data for larger market and mixed-income complexes (approximately 835 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 94.2%, and range between 92% and 100%. One of the comparables reviewed was offering a rental concessions of two months free rent to prospective tenants.

CoStar data for the subject's Roxbury/Dorchester Submarket (8,019 units) has an overall vacancy rate at 10.9% YTD, which is an increase of 5.32% from one year ago. CoStar data for the Boston market (267,995 units) has an overall vacancy rate of 5.1% YTD, which is an increase of .85% from one year ago. The Roxbury/Dorchester Submarket vacancy rate is projected to decrease to 5.4% 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 (2,377 units) indicates a 3rd Qtr. 2023 vacancy rate of 26.5% and an average asking rent of $2,953, while submarket data for the subject's 3 Star building type (3098 units) indicates a 3rd Qtr. 2023 vacancy rate of 6.1% at an average asking rent of $2,654 and 1-2 Star buildings (2,544 units) indicates a 3rd Qtr. 2023 vacancy rate of 2.1% at an average asking rent of $2,090. 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 Executive Office of Housing and Livable Communities' (EOHLC) Chapter 40B Subsidized Housing Inventory (6/29/23), the City of Boston 299,238 year-round housing units, 57,443 (19.2%) of which are subsidized for low/moderate income households.

As of January 2023, 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 (FY2024) indicated that the BHA maintains the following wait lists: There are 7,724 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 28,703 applicants.

U.S. Census data from the 2017-2021 American Community Survey (ACS) indicates that of the 271,250 households in the City of Boston approximately 78.6% earned less than the HUD published 2023 AMI ($149,300), approximately 46.8% earned less than 50% of 2023 AMI, approximately 53.1% earned less than 60% of the 2023 AMI, and approximately 65.6% earned less than 80% of the 2023 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	9	27	8
Net SF/Unit	625	851	974
Elev./Non-Elev.	Y	Y	Y
Market Rate Rent (insert)	$2,627	$2,410	$2,931
MHFA Below Market Rent (Cost-Based Rent)	$2,213	$1,995	$2,517
MHFA Adjusted Rent	30% of 60% AMI		
Underwriting Rents			
MRVP 100% FMR	$2,279	$2,724	-
S8 PBV 110% FMR	$2,516	$3,006	$3,586
LIHTC 50% AMI	$1,249	$1,489	$1,710
LIHTC 60% AMI	$1,528	$1,823	$2,096
Workforce 80% AMI	-	$2,157	$2,482

* UW rents net of utility allowances

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

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 2:45 p.m.

A true record.

Attest.

Colin M. McNiece
Secretary