

**Minutes of the Regular Meeting of the
Members of MassHousing
held on
April 9, 2024**

The regular meeting of the Massachusetts Housing Finance Agency – doing business as MassHousing – April 9, 2024 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):

Board Member	Present	Absent
Jeanne Pinado, Chair	X	
Carolina Avellaneda, Vice Chair	X	
Ed Augustus, <i>ex officio</i>	X	
Kaitlyn Connors*		X
Herby Duverné	X	
Jerry Feldman	X	
Tom Flynn	X	
Patricia McArdle	X	
Carmen Panacopolous	X	

**Designee of Matthew Gorzkowicz, ex officio*

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

The Chair indicated that the first order of business was the approval of the minutes of the February 13, 2024 meeting (there was no March 2024 meeting of the members.)

Upon a motion duly made and seconded, by roll call vote, by all Members present (with Carolina Avellaneda abstaining), it was:

VOTED: That the minutes of the Regular Meeting of the Members held on February 13, 2024 are hereby approved and placed on record.

Chief Executive Officer’s Report

Chrystal Kornegay began her report by giving an update on the Massachusetts Community Climate Bank (MCCB). MCCB is the first climate bank in the nation to launch with a specific focus on decarbonizing affordable housing. MCCB’s mission is to facilitate investment in

projects that will reduce greenhouse gas emissions in key sectors of the Massachusetts economy. MCCB invests public and private resources in financing products and services that advance the Commonwealth's 2050 climate goals.

The MCCB's initial focus is to support decarbonization of the building sector because this is key to meeting the Commonwealth's climate goals. The Clean Energy and Climate Plan for 2050 requires an 85% reduction in GHG emissions from 1990 levels and a level of total emissions equal in quantity to the amount that is removed from the atmosphere and attributable to the Commonwealth. Attaining 2050 emission reduction goals will require a simple annual average of 90,000 retrofits for existing residential units, both single family and multi-family as well as 7,000 new construction high performance units. MassHousing has financed the first all-electric mill conversion in Massachusetts at Stone Mill, Lawrence, turning a vacant property into 86 units of affordable rental housing. In addition, MassHousing financed a deep energy retrofit of Castle Square in Boston, a 500-unit development, resulting in 50% reduction in energy use. MassHousing also financed 25 Sixth Street in Chelsea, a new 56-unit rental and homeownership development that will meeting Passive House standards.

Ms. Kornegay went on to discuss the Greenhouse Gas Reduction fund (GGRF), a historic \$27 billion fund that was part of President Biden's Inflation Reduction Act to mobilize financing and private capital to address the climate crisis, promote energy independence and bring economic revitalization to low-income and disadvantaged communities. GGRF will be administered by the US Environmental Protection Agency (EPA) which released the Notice of Funding Availability (NOFO) in July. The GGRF is made up of three funds: National Clean Investment Fund (NCIF) - \$14 billion; Clean Communities Investment Accelerator (CCIA) - \$6 billion; and Solar for All (SFA) - \$7 billion.

The GGRF winners are expected to have products to share in the summer. The MCCB is working with the MassHousing Rental team to review term sheets and product offerings for GGRF to determine best fit with MCCB/MassHousing pipeline for new construction, preservation and adaptive re-use. We will then develop a short list of priority rental developments that can use GGRF funds in the next 9 to 12 months. We will work with DOER to align and support the administration of state grant funds from the LMI Decarbonization Grant Program and Climate Ready Housing alongside potential GGRF funds.

Ms. Kornegay continued by discussing the Energy Saver Home Loan Program (ESHLP). The ESHLP will assist homeowners to cut their energy use and reduce or eliminate their reliance on fossil fuels. The program will provide financing and technical support to households and/or measures not cover by other programs such as Mass Save®. Homeowners must be income-qualified (<135% AMI) owner-occupants of either a single-family home or of at least one unit in a residential property that can include up to 4 contiguous residential units. The loan program will be delivered through a statewide network of lenders that have established relationships with MassHousing, the sponsoring agency of the MCCB.

Ms. Kornegay stated the money will flow quickly over the summer and our priority is to determine what projects will be a good fit and what will this money pay for. She also mentioned that the money will be revolving and will not be grant money. Chair Pinado stated it will be great to have

this bridge and asked if this program will become part of the One-Stop. Ms. Kornegay replied that eventually it is expected to be but not yet, and stated we will be hiring staff. Ms. Kornegay also mentioned that Maggie Super Church and Mounzer Aylouche have been looking at certain communities in the suburbs and gathering information for the launch program. Ms. Kornegay noted that these funds will benefit low-income, disadvantaged communities in the Gateway cities. Carmen Panacopoulos asked if there are goals of the program for M/WBE participation or job creation and retention. Ms. Kornegay replied not at the moment with the single-family program, but diversity is a big part of this initiative.

Update Relating to Changes in the Downpayment Assistance (“DPA”) Program

Mounzer Aylouche presented an update to changes in the Downpayment Assistance (DPA) Program. Mr. Aylouche began his presentation by discussing the DPA statistics since the inception of the program program in March of 2018. A total of 7,059 DPA loans have been originated and purchased and these DPA loans constitute 53% of the 13,440 total loan production during that time period. Of these 7,059 – 40% were to BIPOC borrowers (2,794 loans); 89% of these loans (6,235) were to borrowers below 80% AMI; and 51% of these loans (3,584) were to borrowers in Gateway Cities . In addition out of the 1,140 MassDREAMS loans – 384 (34%) had DPA with an average grant of \$22,327. For Workforce Advantage (WFA) FY23-24 production, a total of 1,029 WFA loans were originated and purchased. There were 393 loans (38%) in Gateway Cities with an average DPA of \$31,762.91 and for Non-Gateway Cities there were 639 loans (62%) with an average DPA of \$25,255.77. The top ten cities for DPA loans are: Springfield (498); Worcester (406); New Bedford (265); Brockton (264); Lynn (199); Boston (198); Fitchburg (196); Chicopee (170); Fall River (170) and Lowell (170).

Mr. Aylouche continued by outlining changes recently made to the DPA program for WFA. Transaction type (purchase) and eligible borrower (first-time homebuyers that meet household income and acquisition cost limit for the property location) and terms (second mortgage of 0% deferred and due upon sale, refinance or payoff of the mortgage) – remain the same. Property type is changed from 1 to 2 units including condominiums to 1 to 4 units including condominiums. Previously the DPA loan amount was equal to 10% of the sales price or \$50K, whichever is less, in Gateway communities and Boston, Framingham and Randolph. The new WFA DPA amount is \$30K flat and is available in all cities/towns in the Commonwealth.

Mr. Aylouche next outlined the changes to the first-time homebuyer (FTHB) program with DPA. Transaction type (purchase); terms (2% interest rate, full amortized 15-year fixed rate and is due upon sale or refinance of the property), and property type (1 unit/condo/PUD, 2-4 units) remain the same. Previously, the statewide loan amount was equal to 5% of the sales price or \$15K, whichever was less. The new feature is a FTHB DPA loan of \$25K flat and is available in all cities and towns in the Commonwealth.

Mr. Aylouche continued by explaining why these changes were made. The uniform DPA amount provides equity to all communities across the Commonwealth and the flat DPA will increase affordability in lower cost markets. In addition, the flat structure provides flexibility for the Lender to allocate resources that most benefit the borrower and the flat DPA will improve purchasing power in higher cost markets.

Mr. Aylouche outlined the number of loans with DPA currently in the pipeline. From the period February 25, 2024 to March 15, 2024 – there were 132 loans in the pipeline for a total of \$21.1 million and from March 18, 2024 to April 8, 2024 – there were 354 loans in the pipeline for a total of \$61 million. Within that period the loans with DPA tripled just because of these recent changes.

Patricia McArdle asked if loan officers can reduce or buy down the interest rate. Mr. Aylouche replied that loan officers can reduce upfront costs of mortgage insurance and closing costs which gives flexibility to the loans. Ms. McArdle commented this is an amazing game changer, no one else has this type of program.

Mr. Aylouche went on to thank Rachel Madden and her team for the day-to-day work in getting these loans done.

Loan Committee

41 LaGrange Street 4%, Boston (Chinatown)

41 LaGrange Street 9%, Boston (Chinatown)

Mike Carthas presented a proposal for Commitment of a Permanent Tax-Exempt Loan, Commitment of a Tax-Exempt Bridge Loan, Commitment of a Middle-Income Housing Subordinate Loan and Approval for the Use of Low-Income Housing Tax Credits for 41 LaGrange Street 4% in Chinatown and Commitment of a Permanent Taxable Loan and Commitment of an Opportunity Fund Loan for 41 LaGrange Street 9%, as presented in the attached board package.

Jerry Feldman commented on the construction costs. Mr. Carthas explained this is a costly project due to the extremely tight space and the need for a crane to build the reinforced walls.

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

VOTED: to approve the votes and findings as presented in the Board package that is attached and incorporated into the minutes of the meeting.

Columbia Uphams Apartments, Boston (Dorchester)

Jeff Geller presented a proposal for Official Action Status, Commitment of a Tax-Exempt Construction to Permanent Loan, Commitment of a Tax-Exempt Construction Equity Bridge Loan, Commitment of a Taxable Subordinate Loan, Resubordination of an Existing PDF Loan, Approval of 4% Tax Credits and Level One Transfer of Ownership for Columbia Uphams Apartments in Dorchester, as presented in the attached board package.

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

VOTED: to approve the votes and findings as presented in the Board package that is

attached and incorporated into the minutes of the meeting.

Meshacket Commons, Edgartown

Jeff Geller presented a proposal for Commitment of a Tax-Exempt Permanent Loan, Commitment of Tax-Exempt Bridge Loan and Approval for the Use of Low-Income Housing Tax Credits for Meshacket Commons, Edgartown, as presented in the attached board package.

Herby Duverné commented on the need for affordable housing on the island and stated this is a fabulous program. Mr. Feldman and Chair Pinado agreed that there is a problem with affordable housing for the Cape and the Islands.

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

VOTED: to approve the votes and findings as presented in the Board package that is attached and incorporated into the minutes of the meeting.

Province Post, Provincetown

Robert Muollo presented a proposal for Official Action Status, Commitment of a Tax-Exempt Permanent Loan, Commitment of a Tax-Exempt Equity Bridge Loan, Commitment of a Workforce Housing Loan and Approval for the Use of Low Income Tax Credits for Province Post, Provincetown, as presented in the attached board package.

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

VOTED: to approve the votes and findings as presented in the Board package that is attached and incorporated into the minutes of the meeting.

(Herby Duverné recused himself and left the meeting.)

Old Colony Phase Six, Boston (South Boston)

Kathleen Evans presented a proposal for Official Action Status, Commitment of a Tax-Exempt Construction and Permanent Loan, Commitment of a Tax-Exempt Construction Equity Bridge Loan, Commitment of a Taxable Construction Bridge Loan and Approval for the Use of Low-Income Housing Tax Credits for Old Colony Phase Six, South Boston, as presented in the attached board package.

Tom Flynn commented the transformation of this development has been remarkable and MassHousing should be very proud.

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

VOTED: to approve the votes and findings as presented in the Board package that is

attached and incorporated into the minutes of the meeting.

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

There was none.

There being no other business to consider, the meeting adjourned at 3:05 p.m.

A true record.

Attest



Colin M. McNiece
Secretary

Materials:

- CEO's Report, April 9, 2024
- Board Package, April 9, 2024