
MASSACHUSETTS HOUSING PARTNERSHIP

BOARD OF DIRECTORS AND ANNUAL MEETING

Tuesday, March 1, 2022
160 Federal Street, 2nd Floor
Boston, Massachusetts
Via Zoom

Members Present: Jack P. Clancy, Jr. (Chair), Mark Attia, Jennifer Maddox, Alicia Modestino, Denis Sheahan (left at 2:57 pm), Matthew Sosik

Members Absent: Carolyn Ryan

Participating Staff: Clark Ziegler (Executive Director), Alma Balonon-Rosen, Lisa Braxton, Tesfalem Chatot, Sandra Cooke, Isabel Cruz, Mark Curtiss, Karen English, Maureen Flynn, Steve Gandt, Shelly Goehring, David Hanifin, Nick Henninger-Ayoub, Tom Hopper, Alyssa Howes, Danielle Kinkel, Matija Jankovic, Katy Lacy, Stephen Lucien, Christine Madore, Nancy McCafferty, Emma McGurren, Cynthia Mohammed, Annaly Monteiro, Megan Mulcahy, Mahtowin Munro, Vanessa Okonkwo, Shawna O'Neil, Alison Parks, Kathy Riley, Amanda Roe, Elliot Schmiedl, Laura Shufelt, Taylor Smith, Charleen Tyson, Alice Wong, David Worsham

Guests: Peter Hollands

CALL TO ORDER

The Chair, Jack P. Clancy, Jr., called the meeting to order at 2:07 pm.

Mr. Ziegler introduced four new staff members: Alison Parks and Alyssa Howes from Lending, Annaly Monteiro and Taylor Smith from Homeownership,

Audit Engagement

Since Mr. Clancy was experiencing a technical problem, Ms. Modestino chaired this segment of the meeting.

Mr. Sosik, on behalf of the Audit Committee, reported that the committee recommends continuing with RSM under the current contract rather than undergoing an RFP process. RSM will provide a cost proposal at the April 12 Audit Committee meeting which will reflect slightly increased costs as a result of the single audit.

Upon a motion made by Mr. Sheahan and seconded by Ms. Maddox, it was

VOTED: To authorize the Chair of the Audit and Risk Management Committee to engage the firm of RSM US LLP to provide auditing services to the Massachusetts Housing Partnership Fund Board for fiscal year 2022.

Upon polling, Mr. Attia, Mr. Clancy, Ms. Maddox, Ms. Modestino, Mr. Sheahan and Mr. Sosik voted in the affirmative.

LOAN PROPOSALS AND MODIFICATIONS

Burbank Terrace, Boston

Mr. Clancy resolved his technical difficulty and resumed chairing the meeting.

Ms. Roe presented the \$3,920,000 loan proposal. This development will be MHP's first financing for the City of Boston's compact living pilot program. It will include studio, 1- and 2-bedroom apartments to be newly constructed on a small vacant lot, all of which apartments will be rented to households earning at or below 60% AMI. The proposed project is an excellent example of transit-oriented design with no onsite parking and an amenity-rich neighborhood. The compact living program aims to create easy access for work and play, more shared common areas, and smaller individual spaces. Sustainable design with less energy usage.

With regard to the tight debt service ratio, MHP is cushioning the rate appropriately. Board members discussed whether studio apartments are an important asset to the state-wide affordable housing portfolio. Anecdotally, MHP staff often sees studios in the unit mix, although there is understandable pressure toward family units with one or more bedrooms.

Upon a motion made by Mr. Sosik and seconded by Mr. Sheahan, it was

VOTED: To authorize a first leasehold mortgage loan of up to \$3,920,000 pursuant to MHP's Permanent Financing Programs, utilizing funds available to MHP pursuant to Chapter 102 of the Acts of 1990 or through other agreements with banks, for the Burbank Terrace Project in Boston (the Loan). The Loan shall be consistent with MHP's Loan Policy for its Permanent Financing Programs (the Loan Policy) and the Burbank Terrace Credit Analysis dated 3/1/2022 including all special conditions contained therein, and presented in the 03/1/2022 MHP briefing materials, as the same may be modified pursuant to the Loan Policy. MHP commitment for the Loan shall expire if the loan closing does not occur by 11/15/2024. To approve the modifications to the Ace Flats loan, as presented in the December 21, 2021 briefing materials.

Upon polling, Mr. Attia, Mr. Clancy, Ms. Maddox, Ms. Modestino, Ms. Ryan, Mr. Sheahan and Mr. Sosik voted in the affirmative.

APPROVAL OF PREVIOUS MEETING MINUTES

Upon a motion made by Mr. Sheahan and seconded by Mr. Sosik, it was

VOTED: To approve the minutes of the December 21, 2021 and January 25, 2022 meetings.

Upon polling, Mr. Attia, Mr. Clancy, Ms. Maddox, Ms. Ryan, Mr. Sheahan and Mr. Sosik voted in the affirmative.

MANAGEMENT TEAM REPORT

March 1 is the first day MHP staff will be in the office on a scheduled basis since March 2020. Staff is easing into one day a week and then up to two days a week by the end of May. Congratulations to Calandra Clark who welcomed a new baby, Max, in late February, and she is now on parental leave.

Looking out over the next 6-12 months, MHP will be close to running out of space if all staff are in the office five days a week. The plan is for staff to be in the office two days a week with flexibility on a hybrid schedule.

Although MHP is slightly behind pace in terms of committed loans, staff is confident overall in the pipeline and fee revenue.

The Communications team is about 100k impressions below its FY22 goal which is increased to 1.2M impressions annually. The accompanying report details social media placement successes to date.

For the Homeownership team, statewide volume is fairly consistent. ONE+Boston is very successful and doubled in volume in 2021 (188 loans). Households of color are 75% of total loans, particularly Black households in Boston. Statewide, 67% are households of color. Notably, Santander ended its North American residential mortgage program and had been MHP's number two lender. The board discussed the appetite from larger institutional lenders in the ONE Mortgage program. Loan officers are a critical piece of the ONE Mortgage program—it is incumbent on MHP to develop new all-star loan officers because it takes time for loan officers and lenders to become comfortable with this product.

PROGRAM STATUS REPORTS

Homeowner Assistance Fund (HAF)

The HAF team is focused on making payments and onboarding servicers. They now have 1900+ completed applications with over half of the payment amounts (\$390k) to date going to Freedom Mortgage. The MassHousing/MHP HAF team began the media campaign, including Facebook and social media placements, TV ads in less expensive markets, radio ads, and CBO (community-based organization) outreach. Emergency foreclosure cases are escalated and coordinated as needed. The average requested amount is \$20,000, and the average payment amount is \$17,000. Several requests are over \$50,000, at which point a higher level of review is required. The denial rate is almost 20%, but that number will likely decrease as households learn more about the program before they apply.

Mr. Curtiss commended Ms. Flynn for her dedication and immediate work after starting at MHP on December 1. She is really making things happen and directing over 150 people to stand up this important program.

The federal HAF program is authorized by Congress through 2026. Mr. Attia expects the last funds will be disbursed by June 2023.

Transit-Oriented Development (TOD)

The new TOD law requires communities with mass transit to create at least one multifamily zoning district near their transit stations. Multifamily has been designated to mean at least 15 units per acre.

The Center for Housing Data presented detailed information about TOD and MHP's TOD-related technical assistance programs. The team analyzed land near transit service and found underutilization and low density levels across the entire transit system. The Center for Housing Data is developing a more customizable tool that can be applied to every parcel in the state. Matija Jankovic demonstrated the tool (which is under development).

The Community Assistance team is creating a technical assistance program for TOD. The Baker administration would like to help any community that wants help with the new zoning requirements, and MHP is one of a few sources that can provide relevant technical assistance. MHP would also like to create best practice materials, coordinate webinars, and take other steps to prepare communities for when the TOD Guidelines are finalized.

Also, MHP formally announced the Complete Neighborhoods Program through email. Applications will be accepted March 1 through April 15. The Program aims to create livable, walkable neighborhoods, reduce car dependency, and increase inclusive neighborhoods. Unlike the TA program, all eligible communities can apply.

Ms. Modestino asked how the TOD programs intersect with transit innovations, for example fare-free bus lines. MHP staff understand that the MBTA is eager to engage in conversations about service and reliability to continually support these communities.

ARPA Homeownership Program

In conjunction with MassHousing, MHP is in the process of drafting a term sheet for an ARPA-funded homeownership program offering down payment and closing cost assistance for first-time homebuyers. Affordability is very compromised in this market--the median purchase price in Massachusetts is just under \$500,000. The program will be available to residents living in the Gateway Cities plus Framingham, Boston and Randolph (29 total communities) to purchase homes anywhere in the Commonwealth. Given the demographics in these communities, there is a strong impact on racial homeownership equity.

Climate-resilient housing program

The recent economic bond bill allocated \$10 million to DHCD to advance climate-ready/climate-resilient housing, naming MHP as a possible administrator of the program. DHCD and MHP will partner to develop the program and disburse the funds. The first phase in FY22 is a \$1.7 million pilot focused on "deep energy retrofits" of existing buildings paying particular attention to air quality, insulation, and reducing the building's overall carbon footprint. MHP and DHCD would like to build a long-term pipeline and eventually encourage projects to go beyond passive house certification all the way to net zero.

ADJOURNMENT

Mr. Clancy said that the directors recognize all the hard work by MHP staff and know it's been all-hands-on deck. The board appreciates all that the staff has done with excellence, thoughtfulness and a sense of purpose. It is impressive and astounding what the team has been doing. He expressed a big "thank you" to Ms. Maddox and Mr. Attia, and their agencies, as well.

The board meeting was adjourned at 3:40 pm.

The documents listed in the Table of Contents in the briefing materials for the Directors of MHP for this meeting are incorporated herein by reference.

Denis K. Sheahan
Secretary/Treasurer
Massachusetts Housing Partnership