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# MASSACHUSETTS HOUSING PARTNERSHIP

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## EXECUTIVE COMMITTEE MEETING

Tuesday, November 23, 2021

160 Federal Street, 2<sup>nd</sup> Floor

Boston, Massachusetts

**Members Present:** Kate Racer (Chair), Alicia Modestino, Mark Attia

**Participating Staff:** Clark Ziegler (Executive Director), Alma Balonon-Rosen, Chatot, Mark Curtiss, Steve Gandt, Deepti Kamma, Danielle Kinkel, Anne Lewis, Rus Lodi, Nancy McCafferty, Cynthia Mohammed, Megan Mulcahy, Vanessa Okonkwo, Shawna O'Neil, Amanda Roe, Alice Wong

**Guests:** Andrew Flink (Boston Private)

## CALL TO ORDER

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The meeting was called to order at 2:02 PM by the Chair, Kate Racer.

## LOAN APPROVALS

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### Ace Flats, Reading

Ms. Roe and Mr. Gandt presented the loan proposal for a \$15,000,050 Fannie Mae loan to finance the Ace Flats development in Reading, Massachusetts. MHP provided a 5+5 fully recourse permanent loan to the developer team for this development (formerly referred to as "Ace on Gould"), and the Borrower intended to prepay the 5+5 loan at Year 6. COVID-related delays created issues for rate locking the initial 5+5 loan, and the sponsor agreed to pay breakage fees and proceed with the subject non-recourse Fannie loan instead of the 5+5 loan.

The subject financing is a Fannie Mae Tier 3 special public purpose execution with a seven (7) year term, thirty (30) year amortization, and two (2) years of interest-only payments. The development will have affordability similar to 40B transactions: 75% market rate and 25% income-restricted. Ace Flats has fifty-five (55) residential apartments and 3,303 square feet of ground level commercial retail space, plus on-site management and many amenities. The developer expected the commercial space to be occupied by a 10-year restaurant tenant, but the tenant is in the process of terminating the lease due to build-out cost overruns. Prior to closing the Borrower will need to enter into a new lease for the commercial space, or the Borrower could proceed as a Tier 2 closing without a new commercial tenant.

The group discussed the high quality of this development, particularly commenting on the streetscape and façade. The development team is thoughtful and creates attractive buildings, often finding appropriate efficiencies of scale and experience.

Upon motion duly made by Ms. Modestino and seconded by Mr. Attia, it was

VOTED: To authorize an application to Fannie Mae for a first mortgage loan of up to \$15,050,000.00 pursuant to MHP's Fannie Mae MBS Program for Affordable Housing, for the Ace Flats Project in Reading (the Loan). The Loan shall be consistent with Fannie Mae Underwriting standards except as modified with Fannie Mae waivers, if any, and the Ace Flats Credit Analysis dated 11/23/2021 including all special conditions therein, and presented in the 11/23/2021 MHP briefing materials. MHP commitment for the Loan shall expire if the loan closing does not occur by 5/1/2022.

Ms. Modestino, Mr. Attia and Ms. Racer voted in the affirmative.

## ADJOURNMENT

The Executive Committee meeting was adjourned at 2:15 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.

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Denis K. Sheahan  
Secretary/Treasurer  
Massachusetts Housing Partnership