

Golda Meir House

2016 Renovation and Recapitalization



HAND – Klein Hornig Training
April 6, 2017

Our Communities

Founded in 1965

1,200 apartments, 1,500 residents

Award-winning property manager

90% of our apartments are deeply
subsidized

Diverse resident community

*Aging in Community with
supports and services*



Ulin House
Brighton, MA



Kurlat House
Brighton, MA



Leventhal House
Brighton, MA



Golda Meir House
Newton, MA



Coleman House
Newton, MA



Shillman House
Framingham, MA

How We Provide Services to Our Residents



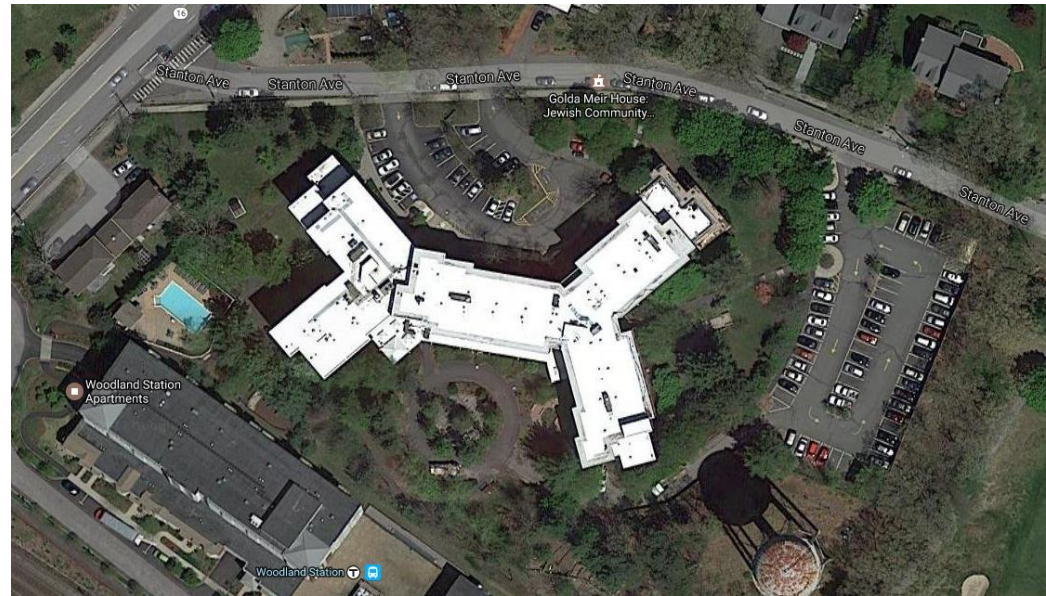
Background

Golda I

- constructed in 1978
- 124 units
- HUD 202 Direct First Mortgage
- PBRA Section 8 HAP contract covering 100 units

Golda II

- constructed in 1995
- 75 units
- HUD 202 Capital Advance First Mortgage
- PRAC HAP contract covering 74 units



Project Highlights

- All units adaptable for **handicap accessibility**
- Materials and systems to last **30 years**
- “**Village Center**” reconfigured first floor
- Extensive **resident involvement**



Project Summary

- Long term **preservation of affordable units**
 - 146 tax credit units (74 PRAC + 72 S8)
 - 71 units up to 60% AMI
 - 55 units up to 50% AMI
 - 20 units up to 30% AMI
 - 28 units affordable up to 80% of AMI (all S8)
 - 25 unrestricted units
- **“Mark up to Market”** rents on 100 Section 8 units
 - HUD Contract Rents (As Renovated) will increase 119% for 1-BR units and 153% for 2-BR units
 - Residents will continue to pay no more than 30% of income
- **Approximately \$6 million** in acquisition proceeds

Financing Transaction History

- Original MU2M/TPA submission – Dec 2014
- HUD Preliminary MU2M/TPA approval – Dec 2015
- MassHousing Official Action Status approval – Mar 2016
- MassHousing Perm Loan Board approval – June 2016
- Updated MU2M, Pass-Through submissions – Sept/Oct 2016
- HUD Risk Share approval – Sept 2016
- HUD Final MU2M/TPA & Pass-Through approval – Dec 2016
- Closing – Dec 2016
- Construction – Jan 2017–Dec 2018

Required HUD Approvals

- MU2M Renewal (both As-Is and As-Renovated rents)
- Transfer of Ownership
- Prepayment of Golda I Section 202 Direct Loan
- Adjustment to Annual RR Deposits, release of Golda I RR funds (to be used as a development source)
- Relocation Plan
- PRAC Pass-Through
- Adjusted Management Fee (Golda I)
- Environmental Review

Project Sources & Uses

Sources of Funds:

MassHousing Perm Loan	\$37.8M
LIHTC Equity	\$20.2M
JCHE-held notes	\$13.9M
Energy Rebates	<u>\$ 0.4M</u>
Total Sources	\$72.3M

Uses of Funds:

Acquisition	\$19.8M
Direct Construction & Contingency	\$34.8M
Soft Costs & Financing Fees	\$10.2M
Reserves	\$ 3.6M
Developer Fee	<u>\$ 3.9M</u>
Total Uses	\$72.3M

Guaranties

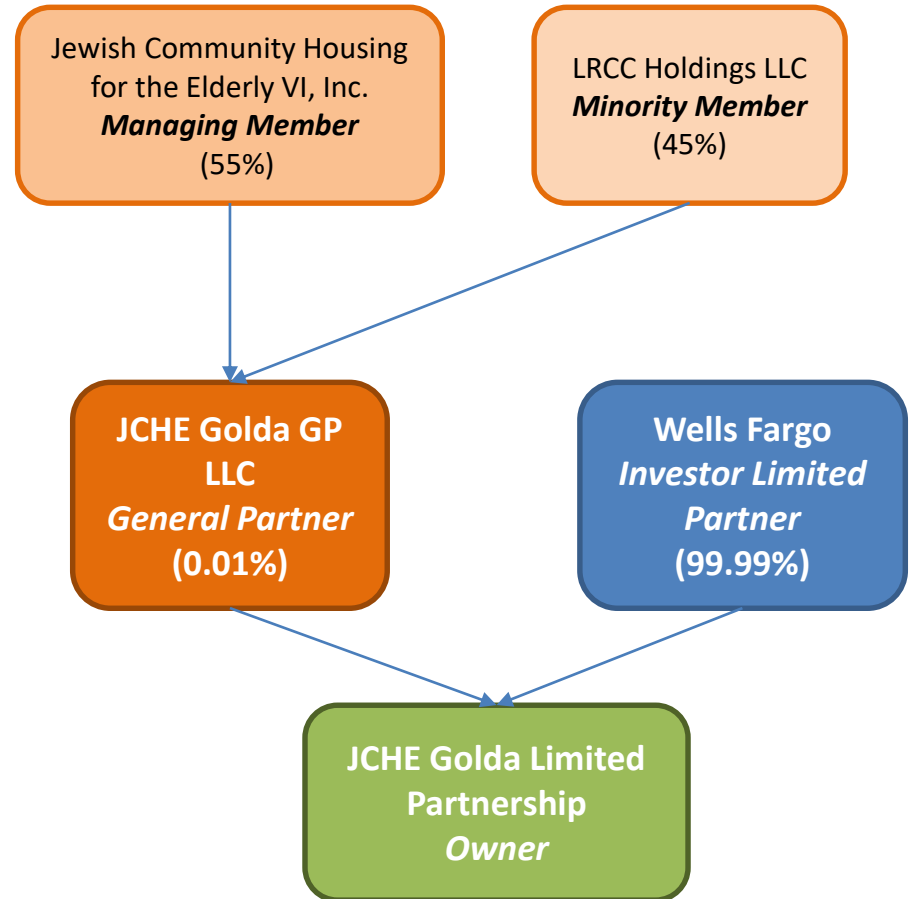
Construction Completion:	Unlimited completion of construction in excess of project funds
Operating Deficit:	All operating deficits through end of construction; up to \$2,225,000 (6 months of op ex, reserves, and debt service) for 5 years
Tax Credit Compliance:	Dollar for dollar tax credit recapture for 15 year compliance period
Guarantor:	JCHE II, Inc.
Liquidity Requirements:	\$3 million in liquid net assets through stabilization, \$1 million through year 15

Ownership Structure

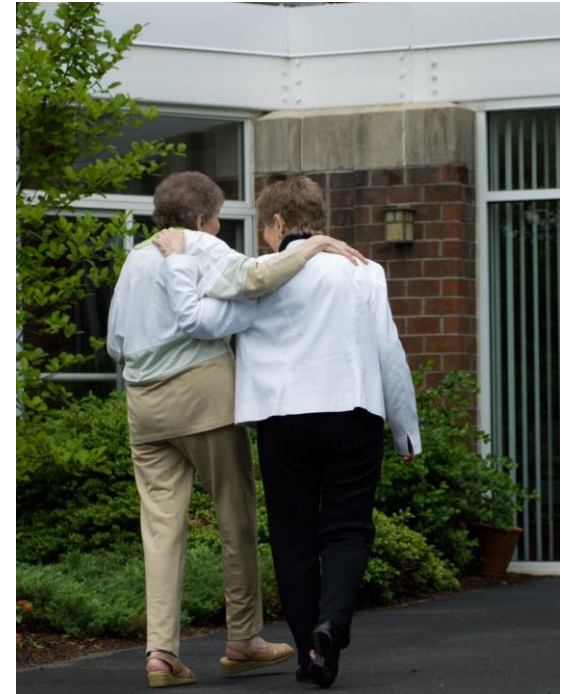
Golda Seller – Previous Owner



Golda Buyer – New Owner



Questions?



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