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
How We Provide Services to Our Residents

- Properties pay fees
- Tenants pay small fees
- Donors give to Friends of JCHE
- Foundations award grants
- People purchase home delivered meals
- Government funds programs
- Tenant Computer Centers
- Fitness & Wellness Programs
- Intergenerational Programs
- Transportation Services
- Dining & Housekeeping Programs
- Translation Services
- Caring Choices

People purchase home delivered meals.
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)
    o 71 units up to 60% AMI
    o 55 units up to 50% AMI
    o 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
• 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
Sources of Funds:
- MassHousing Perm Loan $37.8M
- LIHTC Equity $20.2M
- JCHE-held notes $13.9M
- Energy Rebates $0.4M

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 $3.9M

Total Uses $72.3M
### Guaranties

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

Golda Seller – Previous Owner

Jewish Community Housing for the Elderly IV, Inc.

Golda Buyer – New Owner

Jewish Community Housing for the Elderly VI, Inc.
- Managing Member (55%)

LRCC Holdings LLC
- Minority Member (45%)

JCHE Golda Limited Partnership
- Owner

JCHE Golda GP LLC
- General Partner (0.01%)

Wells Fargo
- Investor Limited Partner (99.99%)
Questions?

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