18th Annual NY State Supportive Housing Conference

Cost Containment in Supportive Housing Development

Massachusetts Innovation: MassDOCS

Judith S. Jacobson, Deputy Director & General Counsel
Massachusetts Housing Partnership (MHP)
Boston, MA
MA SIMPLIFICATION INNOVATIONS

✧ One-Stop application (early 1990s) converted to on-line system in 2014 (One-Stop+)

✧ OneSource Loan Program

- Combined construction/permanent loan documents
- Construction loan documents with “Buy-Sell Agreement” between construction and permanent lenders
- Conditions for assignment to permanent lender built into documents
- Mini “assignment closing” upon completion of construction and stabilization
Loan closing sample documents

TO SEE HOW MASSDOCS WORKS, BELOW ARE SAMPLE DOCUMENTS. ALL ARE IN ADobe Acrobat FORMAT. TO VIEW ASSUMPTIONS USED IN PREPARING THESE DOCUMENTS, VISIT HERE.

LOAN DOCUMENTS
- Affordable Housing Affidavit
- Loan Agreement
- Mortgage, Security Agreement and
  Conditional Assignment of Lease & Rents
- Promissory Note - Affordable Housing
  Trust Fund
- Promissory Note - EB
- Promissory Note - DHCD HOME
- Promissory Note - HIF
- Promissory Note - Springfield HOME

ANCILLARY DOCUMENTS
- Architect's Certificate
- Closing Agenda
- Closing Escrow Letter
- Davis-Bacon Wage Certification
- Depository Agent Agreement
- Ground Lease Estoppel and
  Agreement
- Lender Advisor Agreement
- Master Subscription Agreement
- Site Assessment Reserve Letter

TAX CREDIT DOCUMENTS
- TCAP Written Agreement
- Tax Credit Exchange Written Agreement
- Tax Credit Regulatory Agreement (4%) credit
- Tax Credit Regulatory Agreement (8% credits and state credits)
- Tax Credit Release and Indemnification Agreement

About MassDocs
MassDocs makes affordable housing development more efficient by providing a common set of loan documents for projects using a variety of state and local funds. For more information, email massdocs.

Attorney login
MassDocs closing attorneys preparing loan documents on behalf of MassDocs participating entities that wish to log in, please click the button below.

Click Here
MASSDOCS

◊ Combined subordinate loan program delivers multiple funding sources for affordable rental developments

◊ Single set of streamlined documents automatically generated using web-based system

◊ Single loan agreement, mortgage, affordable housing restriction

◊ Separate promissory note for each program; all notes of equal priority

◊ Global Participation Agreement establishes relationship between participating lenders

◊ “Agent Lender” holds collateral as agent for all participating lenders
Single joint counsel for all participating lenders

Municipalities become party to Global Participation Agreement by executing a “Joinder”

94 municipalities participating directly or through a consortium

20+ funding programs including state bond programs, locally-administered federal programs (HOME & CDBG), local programs


488 closings to date (representing 25,552 units); estimated cost savings of $12.2 –$18 million over 12 years
COMBINED SUBORDINATE LENDING PROGRAM

May 23, 2018  System

Welcome to the MassDocs system!

Please enter your name here (name of MassDocs attorney):

Enter your law firm name here (MassDocs attorney firm name):

Please use full names for all individuals asked to be identified in the interview and full legal names for all entities.

VERY IMPORTANT: DO NOT USE THE BROWSER BACK OR FORWARD BUTTONS WHILE ANSWERING QUESTIONS OR YOU WILL LOSE ANY UNSAVED ANSWERS; INSTEAD USE THE PREVIOUS OR NEXT BUTTONS BELOW.

TO SAVE YOUR ANSWERS AT ANY TIME, CLICK THE SAVE ICON TOP RIGHT NEXT TO THE (!). YOU WILL BE ABLE TO RELOAD YOUR SAVED ANSWERS AND CONTINUE NOW OR AT A LATER TIME.

Click Next (below center) or choose from the Outline (left) to proceed . . .
Additional Project Information

Please click here first to set the appropriate choices below.

Check all that apply:
- Other non-MassDocs lenders
- Ground lease
- Tax credit allocation
- SRO housing has NOT been de-leaded
- Assisted living
- Grantor shall maintain a social service program
- Project will convert to condos
- Property will be acquired at closing

What percent of the cost savings will be shared by the lenders (50% is the default, change if appropriate):

Developer fee:

$_________

Maximum interest rate on deferred developer fee (if nothing is filled in the maximum rate will be two percentage points above the applicable federal rate):

__________%
Choose Documents

Congratulations! You have finished the MassDocs Interview.

Please select the documents you’d like to generate:
- Mortgage
- Loan Agreement
- Affordable Housing Restriction
- Environmental Reliance Letter
- Architect’s Certificate
- Lender Advisor Agreement
- Closing Agenda

On the next screen, be sure to save your answer file so you can reload it later and make any necessary changes.

When ready, click “Finish” below right to start the document generation process.

NOTE: Depending on the number of documents you are generating, the next screen may not appear for up to one full minute...

WARNING RE: CROSS-REFERENCES: Some MassDocs documents contain automated Word cross-references to other sections of the same document. HotDocs automatically updates the references when the documents first assemble. If you edit the documents to add or remove numbered sections, the references may not be correct. To be sure that the references are correct after a manual edit, do following in each Word document you generate:
- Click Ctrl-A to select the entire Word document
- Click F9 to update fields
- Save your document to retain the cross-reference updates

In addition, some MassDocs documents contain external cross-references to other documents. Some of these references are hard-coded and others are variable, based on logic. If you leave questions unanswered or manually edit the target documents, however, you may need to correct those references. Click the link below for more details.

More details about external cross-references
DATE: As of ______________

GRANTOR: ____________________________

PROPERTY NAME: ________________________

TOTAL NUMBER OF UNITS: ____________

TOTAL NUMBER OF RESTRICTED UNITS: ____________

NUMBER OF HIGH MIDDLE INCOME UNITS (110% AMI): ____________

NUMBER OF MIDDLE INCOME UNITS (80% AMI): ____________

NUMBER OF LOW INCOME UNITS (60% AMI): ____________

NUMBER OF VERY LOW INCOME UNITS (50% AMI): ____________

NUMBER OF EXTREMELY LOW INCOME UNITS (30% AMI): ____________

PROPERTY ADDRESS: ____________________________

__________________________, Massachusetts

TERM: 30 years (subject to extension for any extension of the construction period and/or extension of one or more of the Loans to which this Restriction relates, as set forth below).

This Affordable Housing Restriction (this "Restriction") is granted by the undersigned Grantor, a Massachusetts ____________________________, having a mailing address of ____________________________, for the benefit of The Commonwealth of Massachusetts acting by and through the Department of Housing and Community Development having a mailing address of 100 Cambridge Street, Suite 300, Boston, Massachusetts 02114-2524 ("DHCD").

BACKGROUND

¹Numbers in parentheses are the percentage of median income for the area (AMI, as defined below), adjusted for family size, as determined from time to time by HUD (as defined below) pursuant to Section 8 of the United States Housing Act, as amended.
QUESTIONS?

For more information:
Judith S. Jacobson, Deputy Director & General Counsel
Massachusetts Housing Partnership
160 Federal Street, Boston, MA, 02110
857-317-8530; judyj@mhp.net; www.mhp.net