

AGENDA

ANNUAL MEETING OF
THE SHA SUPPORT CORPORATION
AUGUST 24, 2023

1. MEETING CALLED TO ORDER AND SALUTE TO THE FLAG OF THE UNITED STATES OF AMERICA at **4:00 PM.**

Joe Capuano
Eleanor Rances
Adeleine Mannion
James Zamer

2. NEW BUSINESS
 - a. Consideration of request by Chairman Capuano to elect 2023-2024 SHA Support Corporation Officers. **(Roll Call Vote Required).**
 - b. Consideration of request by the Executive Director to adopt resolutions pertaining to the Waterworks II Project. **(Roll Call Vote Required).**
3. ADJOURNMENT

**SHA Support Corporation
Resolutions
August 24, 2023**

The Board of Directors of SHA Support Corporation, a Massachusetts charitable corporation (the “Corporation”), in its own capacity and/or in its capacity as the sole member and manager of SHA Waterworks II Member LLC, a Massachusetts limited liability company (“SHA Member II”), in SHA Member II’s own capacity and/or as managing member of SHA Waterworks II LLC, a Massachusetts limited liability company (“SHA Waterworks II”), adopts the following resolutions:

- Resolved: To collaborate with the Somerville Housing Authority (the “Authority”) with respect to the demolition of an existing building and the construction and financing of a 21 unit state-aided affordable housing complex located at 2 Capen Court, Somerville, MA , which includes 14 new state-aided public housing units and 7 replacement state-aided public housing units (the “Project”) that will be leased and constructed by SHA Waterworks II and shall involve Federal Low-Income Housing Tax Credits;
- Resolved: To ratify the prior formation of SHA Member II and execution of the Certificate of Organization dated August 17, 2022 and filed with the Massachusetts Secretary of State (“MA SOS”) on August 17, 2022, and to authorize the execution of the initial Operating Agreement of SHA Member II and related organizational documents;
- Resolved: To ratify the prior formation of SHA Waterworks II and execution of the Certificate of Organization dated August 22, 2022 and filed with the MA SOS on August 22, 2022, and to authorize the execution of the initial Operating Agreement of SHA Waterworks II with SHA Member II, as the managing member, and the Authority, as initial non-manager member, and related organizational documents;
- Resolved: To cause SHA Member II to elect to be taxed as a corporation and make a 168(h)(6) election to be taxable;
- Resolved: In connection with the Project, the Corporation shall undertake and cause itself, in its own capacity or as managing member of SHA Member II, in SHA Member II’s own capacity and/or as managing member of SHA Waterworks II:
- (1) to cause SHA Waterworks II to enter into a long-term ground lease, up to 99 years, with the Authority, as landlord, and SHA Waterworks II, as tenant, for nominal consideration;
 - (2) to cause SHA Waterworks II to borrow approximately \$4,000,000 from Massachusetts Housing Finance Agency (“MassHousing”) pursuant to a tax exempt construction/ permanent loan (the “Construction/ Perm Loan”), to secure the Construction/Perm Loan by granting a first priority leasehold mortgage lien on the Project and to execute any and all agreements as may be required in connection with the Construction/Perm Loan, including, without limitation, an

assignment of the ground lease, assignment of leases and rents, and assignment of Agreement to enter into Housing Assistance Payments Contract and Housing Assistance Payment Contract;

(3) to cause SHA Waterworks II to borrow approximately \$6,500,000 from MassHousing pursuant to a tax exempt construction/ bridge loan (the "Construction/ Bridge Loan"), to secure the Construction/Bridge Loan by granting a second priority leasehold mortgage lien on the Project and to execute any and all agreements as may be required in connection with the Construction/Bridge Loan, including, without limitation, an assignment of the ground lease, assignment of leases and rents, and assignment of Agreement to enter into Housing Assistance Payments Contract and Housing Assistance Payment Contract;

(4) to cause SHA Waterworks II to borrow approximately \$1,716,000 of HOME Investment Partnership Program funds from the City of Somerville (the "City HOME Loan"), to secure the City HOME Loan by granting a subordinate leasehold mortgage lien on the Project and to execute any and all agreements as may be required in connection with the City HOME Loan;

(5) to cause SHA Waterworks II to borrow approximately \$607,500 of Affordable Housing Trust Funds from the Somerville Affordable Housing Trust Fund (the "AHTF Loan"), to secure the AHTF Loan by granting a subordinate leasehold mortgage lien on the Project and to execute any and all agreements as may be required in connection with the AHTF Loan;

(6) to cause SHA Waterworks to borrow approximately \$3,682,500, from the Authority (the "Sponsor Loan") from the proceeds of Public Housing Improvement Development Program grant from the Executive Office of Housing and Livable Communities ("EOHLC"), and to secure the Sponsor Loan by granting a subordinate leasehold mortgage lien on the Project and to execute any and all agreements as may be required in connection with the Sponsor Loan and/or the grant from EOHLC including, but not limited to, a Disposition, Regulatory and Operating Agreement by and between the Authority, SHA Waterworks II and EOHLC, a Contract for Financial Assistance by and between the Authority, SHA Waterworks II and EOHLC and a Collateral Assignment of Promissory Note and Leasehold Mortgage in favor of EOHLC;

(7) to cause SHA Waterworks II to enter into a binding commitment for Low-Income Housing Tax Credits and execute any and all agreements as may be required in order to allow SHA Waterworks II to become and to remain eligible to claim Low-Income Housing Tax Credits in connection with the Project;

(8) to cause SHA Waterworks II to accept the award for Project Based Section 8 vouchers for the Project and to execute any and all agreements as may be required in connection with such vouchers;

(9) to cause SHA Waterworks II to enter into a property management agreement with the Authority;

(10) to cause SHA Member II, as managing member, to enter into an Amended and Restated Operating Agreement of SHA Waterworks II with the Authority, as the initial investor member and special member, pursuant to which the investor member will agree to make capital contributions to SHA Waterworks II in the aggregate amount of approximately \$9,243,000, pursuant to which, at construction completion, the Authority shall withdraw from SHA Waterworks II, and BF Waterworks II, LLC, and Boston Financial Investment Management, LP will be admitted as investor member and special member of SHA Waterworks II;

(11) cause SHA Waterworks II to borrow approximately \$1,386,279 from BF Waterworks II, LLC (the “Investor Bridge Loan”), to secure the Investor Bridge Loan by granting a subordinate leasehold mortgage lien on the Project and to execute any and all agreements as may be required in connection with the Investor Bridge Loan;

(12) to cause SHA Waterworks II to execute any and all agreements as may be required in order to allow to become and to remain eligible to claim low-income housing tax credits in connection with the Project and anything that may be required in connection with the M.G.L Chapter 40B requirements for the Project;

(13) to cause the Corporation and SHA Member II to provide such indemnifications, assurances and guaranties as may be required in connection with the Project and associated equity investments, and loans, including, without limitation, guarantees relating to completion, operating deficits, delivery of tax credits, repurchase of investor interests, environmental risks, interest rate locks and/or repayment of loans;

(14) to cause SHA Waterworks II to assume assignments of architect and construction contracts and other project contracts from the Authority;

(15) to cause the Corporation, SHA Member II and SHA Waterworks II to undertake and enter any and all transactions and documents, instruments, and agreements of whatever nature in addition to those specifically listed herein (including, without limitation, promissory notes, mortgages, loan agreements, security agreements, financing statements, pledges, account control agreements, intercreditor agreements, subordination agreements, grant agreements, regulatory agreements, restrictive covenants, indemnification agreements, development agreements, reimbursement agreements, leases, easements, licenses, estoppel agreements, assignments, assumptions, guarantees of any nature, construction and design and related contracts, releases and certificates, along with amendments to any of the foregoing) as are necessary or desirable to complete the development, financing, construction and/or operation of the Project (including, without limitation, such adjustments to the nature, source, amount or terms of the financing or construction costs described above as may be necessary or desirable in the judgment of any of the authorized persons identified below) and including any amendment or restatements or additional agreements required in connection with the completion of the Project.

Resolved: That, based on that certain MEPA Threshold Review prepared by Dimella Schaffer Associates, Inc. dated August 10, 2023, the Corporation hereby determines that (i) the financing and completion of the Project will not result in damage to the environment beyond insignificant damage or impairment that does

not exceed the environmental review thresholds set forth at 301 C.M.R. 11.03; and (ii) that the Corporation hereby finds that all feasible measures have been taken to avoid or minimize detrimental environmental impact of the Project, including the construction and financing of the Project;

Resolved: That Corporation is authorized to cause SHA Member II and SHA Waterworks II to open such checking, savings, and other bank accounts as are necessary or desirable for its business, and to appoint as signatories thereto such person or persons as are designated by the Executive Director of the Authority, as authorized signatories for the Corporation, currently Joseph R. Macaluso, and to adopt, and incorporate in this vote by this reference, the form of banking resolutions required by the applicable banking institutions.

Resolved: In connection with the foregoing, the Executive Director or the Director of Admissions, Occupancy and Compliance of the Authority, as authorized signatories for the Corporation, currently Joseph R. Macaluso and Diane L. Cohen, each acting singly, shall take all such actions, and shall enter into, execute and deliver all documents each deems necessary or desirable, in his/her sole and continuing discretion, on behalf of the Corporation, in its own capacity and/or in its capacity as the sole member of SHA Member II, in SHA Member II's own capacity and/or as managing member of SHA Waterworks II, including, without limitation, such adjustments to the nature, source, amount or terms of the financing described above he/she deems necessary or desirable and to ratify any action previously taken by either the Executive Director or the Director of Admissions, Occupancy and Compliance of the Authority in such roles in connection with the Project.