

**Newton, Massachusetts Community Preservation Program and
HOME Investment Partnerships Program
FUNDING REQUEST**

City of Newton



Ruthanne Fuller
Mayor

PRE-PROPOSAL

PROPOSAL

Updated June 2020.

Please submit this completed file directly – do not convert to PDF or other formats.

For full instructions, see www.newtonma.gov/cpa or contact us:

Community Preservation Program Manager,
City of Newton Planning & Development Department, 1000 Commonwealth Ave., Newton, MA 02459
lkritzer@newtonma.gov 617.796.1144

(For staff use)
date rec'd:

You may adjust the space for each question, but the combined answers to all questions on this page must fit on this page.

Project TITLE	Golda Meir House Expansion			
Project LOCATION	Full street address (with zip code), or other precise location. 160 Stanton Ave, Auburndale, MA 02466			
Project CONTACTS	Name & title or organization	Email	Phone	Mailing address
Project Manager	Zoe Weinrobe, Director of Real Estate Innovation	zweinrobe@2lifecommunities.org	(617) 912-8406	2Life Communities 30 Wallingford Road Brighton, MA 02135
Other Contacts	Rachel Belanger, Project Manager	rbelanger@2lifecommunities.org	(617) 912-8464	
Project FUNDING	A. CPA funds requested: \$1,244,857 in this proposal (\$3.25 million previously approved)	B. HOME funds requested: \$255,143	C. Other funds to be used: \$35,686,000	C. Total project cost: \$40,436,000
Project SUMMARY	Explain how the project will use the requested CPA funds. You may provide more detail in attachments, but your PROJECT SUMMARY MUST FIT IN THE SPACE BELOW. Use a cover letter for general information about the sponsoring organization's accomplishments.			

The Golda Meir House Expansion will add 68 apartments to 2Life Communities' Golda Meir House through two additions. The project will provide apartments affordable to seniors at a range of incomes as well as to 9 chronically homeless individuals with disabilities. Of the 68 proposed units, 60 will be income-restricted, with the majority set aside for low- and extremely low-income seniors. The design physically integrates the new additions with the existing building in order to incorporate new residents into this vibrant senior community, where new residents will benefit from a wealth of programs, services and supports unavailable in a standalone affordable housing building. Having secured a Comprehensive Permit in late 2018, an initial CPA fund award in 2018, and state and federal funding in 2020, the project is positioned for a late 2020 construction start.

The additional \$1.5 million in CPA and HOME funds requested herein will enable 2Life leverage HUD 202 funds and provide a deeper level of affordability than 2Life originally presented to the CPC in 2018. In August 2019, 2Life applied for HUD Section 202 funds, the first time that HUD made them available since 2012. 2Life's 202 funding award – the only one in Massachusetts – includes \$4 million in Capital Advance funds and 25 Project Rental Assistance Contract (PRAC) vouchers.

While the HUD 202 award is a tremendous benefit for low-income seniors, it caused a financing gap as the PRAC rental payment standard is lower than the LIHTC, Section 8 and MRVP rents in our previous pro forma, causing a reduction in the cash flow needed to support a permanent mortgage loan. Unfortunately, the \$4 million in Capital Advance funds does not cover this financing gap because it is offset by the increased construction costs due to HUD's Davis-Bacon labor requirements. 2Life partially filled this gap by requesting additional deferred financing from DHCD and replacing the previously requested MRVP vouchers with project-based Section 8 vouchers that have a higher payment standard. The 20 Section 8 vouchers plus 25 PRAC vouchers will allow 2Life to serve a total of **45**

Extremely Low Income (ELI) households at the Golda Expansion compared to 30 ELI households in our original proposal.

Project TITLE **Golda Meir House Expansion**

USE of CPA and HOME Funds **COMMUNITY HOUSING** **Create** ✓

New construction ✓ Mortgage buydown/ refinance Site preparation/ remediation ✓

TARGET POPULATION, TYPE OF HOUSING, SPECIAL FEATURES – Check& describe all that apply.

Individuals ✓ Families Seniors ✓ Homeless/At Risk of Homelessness ✓ **Rental** ✓

Special needs/disabilities (identify population & provider of support services, if any):
9 units for chronically homeless individuals with disabilities – Hearth, Inc. will provide supportive services

Special features (historic preservation, sustainability, etc.):
Sustainability – Enterprise Green Communities standards

UNIT COMPOSITION *List number of units in each category. Please identify which units are the HOME funded units.*

UNIT TYPE	≤ 30% AMI (Section 8)	≤ 50% AMI (PRAC)	≤ 60% AMI	<100% AMI	No Income Restriction (Market-Rate)	TOTAL
1 BR	18 (9 HOME)	25	2	8	4	57
2 BR	2 (2 HOME)	0	3	2	4*	11

Note: All 45 apartments for the <30% AMI and <50% AMI tiers will have project-based vouchers, which will cover the difference between 30% of residents’ actual incomes and contracted rents. The Section 8 vouchers will serve 9 non-age restricted, 1-bedroom units for chronically homeless individuals.

11 units will be HOME-assisted (9 1-bedroom, 2 2-bedroom), with rental-assistance provided by project-based Section 8.

The 8 Unrestricted apartments include 1 apartment with reduced rent set-aside for graduate student “scholars in residence.” Rents for all other units with no income restriction are proposed to be below a true “market rate.”

COMMUNITY NEEDS From each of at least 2 plans linked to the [Guidelines & Forms](#) page of www.newtonma.gov/cpa, provide a brief quote with plan title, year, and page number, showing how this project meets previously recognized community needs. You may also list other community benefits not mentioned in any plan.

- Affordability**
The 2007 *Newton Comprehensive Plan* emphasizes the importance of creating a range of housing options. “We want our stock of housing to match the social and economic diversity of our population. That requires increasing both rental and home ownership opportunities for the entire range of low, moderate, and middle income families, for starter households as well as for senior citizens” (page 5-12). Our proposed project will serve a range of low and moderate incomes, plus several apartments without an income restriction, to meet some of this need. CPA funds will support the units for households under 100% of area median income.
- Supporting Seniors**
According to the 2017 *Housing Needs Analysis and Recommendations* report, “Newton’s empty-nester, retiree and senior adult population is growing substantially” and “seniors that are interested in aging in place in Newton find that the ability to do so is limited due to the lack of housing diversity” (page 10). The 2014 *Living and Aging in Newton* report commissioned by the Senior Citizens Fund of Newton also found that “Staying and aging in Newton is a goal for 88% of survey respondents” (page ix). Life’s model of *aging in community* provides not only

the opportunity for some to remain in Newton, but to do so in a more supportive environment than would be possible in a single family home.

- **Accessibility**

The *Housing Needs Analysis and Recommendations* report showed that “Newton’s growing senior population would be well served by increasing the supply of single level, elevator served residences in walkable and transit accessible locations, with design features as outlined in the Council on Aging’s Age Friendly Housing Checklist” (page v). The proposed project will include ADA apartments and all apartments will be adaptable with universal design features that support residents as their physical needs change.

Project TITLE		Golda Meir House Expansion	
SUMMARY CAPITAL/DEVELOPMENT BUDGET			
Uses of Funds			(rounded amounts)
Acquisition			\$100
Construction costs (hard costs, general conditions, overhead, profit, contingency)			\$31,115,000
Soft Costs			\$6,129,000
Developer Fee/Overhead			\$2,600,000
Reserves			591,900
D. TOTAL USES (should equal C. on page 1 and E. below)			\$40,436,000
Sources of Funds	Status (requested, expected, confirmed)	(rounded amounts)	
Newton CPA Funds	Requested	\$1,244,857	
Newton HOME Funds	Requested	\$255,143	
Newton CPA Funds (Previous Application)	Confirmed	\$3,250,000	
Permanent Mortgage Loan	Expected	\$7,972,000	
Federal and State Low Income Housing Tax Credit Equity	Tax Credit Allocation Confirmed	\$14,162,000	
DHCD HOME, HSF, AHT, HIF and NFIT Funds	Confirmed	\$5,000,000	
HUD Section 202 Capital Advance	Confirmed	\$4,000,000	
Utility Rebates	Expected	\$74,600	
Golda Rehab Savings	Confirmed	\$835,400	
Charles Farnsworth Trust	Confirmed	\$480,000	
Weinberg Foundation	Confirmed	\$1,250,000	
Additional 2Life Philanthropy	Committed	\$1,512,000	
Deferred Developer Fee	Committed	\$400,000	
E. TOTAL SOURCES (should equal C. on page 1 and D. above)			\$40,436,000
SUMMARY ANNUAL OPERATIONS & MAINTENANCE BUDGET (cannot use CPA funds)			
Uses of Funds			(rounded amounts)
Management Fee			\$65,000
Administration			\$158,000
Maintenance			\$152,000
Resident Services			\$75,000
Security			\$3,500

Utilities	\$159,000
Reserves	\$24,500
Taxes, Insurance	\$150,000
Debt Service	\$397,000
First Year MIP	\$20,000
Required Debt Service Coverage Ratio (1.10)	\$42,000
F. TOTAL ANNUAL COST (should equal G. below)	\$1,246,000
Sources of Funds	
	(rounded amounts)
Residential Income	\$1,305,000
Other Rental Income (laundry, misc fees)	\$6,500
Vacancy	(\$65,500)
G. TOTAL ANNUAL FUNDING (should equal F. above)	\$1,246,000

Project TITLE	Golda Meir House Expansion	
Project TIMELINE	Phase or Task	Season & Year
	Developer Designation by City of Newton for 160R Stanton Ave	October 2017
	Neighborhood planning process	Spring 2018
	Submit Full Proposal to CPC	September 2018
	Submit Comprehensive Permit (40B) Application to ZBA	October 2018
	Submit Pre-application for Rental Funding to DHCD	November 2018
	CPC Public Hearing	December 2018
	City Council Committees (Finance + TBD) Votes on CPC Recommendation	December 2018
	Full City Council Vote on CPC Recommendation	December 2018
	ZBA Approval of Comp. Permit	December 2018
	Invitation from DHCD to submit Full Rental Funding Application	December 2018
	Submit full Rental Funding Application to DHCD	February 2019
	MassHousing Official Action Status Approval	July 2019
	Submit HUD 202 Application	August 2019
	Resubmit full Rental Funding Application to DHCD (Mini Round)	October 2019
	HUD and DHCD funding awards announced	February 2020
	Finalize construction documents	May 2020
	Submit Revised Proposal for CPA and HOME, present to Newton Housing Partnership	July 2020
	Joint CPC and Planning Board Public Hearing on Revised Proposal	August 2020
	City Council Committees (Finance + TBD) Votes on CPC Recommendation	September 2020
	Construction	2021 winter – 2022 summer
	Lease-up	2022 summer

COMMUNITY CONTACTS

List at least 3 Newton residents or organizations willing and able to comment on the project and its manager's qualifications. No more than 1 should be a supervisor, employee or current work colleague of the project manager or sponsor. For housing projects, at least 2 contacts should reside in or near the project's neighborhood.

Name & title or organization	Email	Phone	Mailing address
Phyllis Chmara <i>Golda Meir House resident</i>	chmara3@bellsouth.net	617-916-0531	160 Stanton Ave. #322
Shirley Goldsmith <i>Golda Meir House resident</i>	N/A	617-332-7530	160 Stanton Ave. #511
Marilyn Berman <i>Golda Meir House resident</i>	N/A	617-558-7559	160 Stanton Ave. #044
Fran Godine <i>Engine 6</i>	godine@comcast.net	617-694-9528	19 Crofton Rd Waban, MA 02468
Allison Sharma <i>Auburndale Neighbor</i>	allison.sharma@gmail.com	617-216-4130	46 Kingswood Rd Auburndale, MA 02466

Project TITLE	Golda Meir House Expansion		
↓ Check off submitted attachments here. See also supplemental checklist for housing proposals.			
OPTIONAL (as needed)		Additional Narrative Explanation of Changes in Funding Request (if needed to further explain summary on Page 1)	
Separate, detailed budget attachments REQUIRED for full proposal.	PROJECT FINANCES printed and as computer spreadsheets, with both uses & sources of funds		
	X	Development pro forma/capital budget: include total cost, hard vs. soft costs and contingencies, and project management – amount and cost of time from contractors or staff (in-kind contributions by existing staff must also be costed)	
	X	Operating/maintenance budget, projected separately for each of the next 10 years (CPA funds may not be used for operations or maintenance)	
	X	Non-CPA funding: commitment letters, letters of inquiry to other funders, fundraising plans, etc., including both cash and est. dollar value of in-kind contributions	
REQUIRED for full proposal.	SPONSOR FINANCES & QUALIFICATIONS, INSTITUTIONAL SUPPORT		
	X	For sponsoring organization, most recent annual operating budget (revenue & expenses) & financial statement (assets & liabilities); each must include both public (City) and private resources (“friends” organizations, fundraising, etc.)	
OPTIONAL for all proposals.		LETTERS of SUPPORT	from Newton residents, organizations, or businesses (if applicable for new application)

Golda Meir House Expansion Project
Development Budget - Sources and Uses

SOURCES	July 2020 Proposal	Nov. 2018 proposal	Difference
Permanent Loan	7,972,000	7,770,000	202,000
Fed Tax Credit Equity	10,162,081	10,298,970	(136,889)
State Tax Credit Equity	3,999,600	3,999,600	-
City of Newton CPA	3,250,000	3,250,000	-
City of Newton Additional Funding Ret	1,500,000	-	1,500,000
DHCD Sub Debt	5,000,000	3,750,000	1,250,000
Utility Rebates (Sponsor Loan)	74,800	74,800	-
Golda Rehab Savings (Sponsor Loan)	835,400	-	835,400
Farnsworth + Weinberg (Sponsor Loan)	1,730,000	-	1,730,000
2Life Philanthropy (Sponsor Loan)	1,512,098	2,546,475	(1,034,377)
HUD 202 Capital Advance (Sponsor Lo	4,000,000	-	4,000,000
Deferred Dev Fee	400,000	625,000	(225,000)
Total Sources	40,435,979	32,314,845	8,121,134

USES	July 2020 Proposal	Nov. 2018 proposal	Difference
Acquisition	100	100	-
Construction			
Cost of Construction	29,633,398	23,205,897	6,427,501
Contingency	1,481,670	1,160,295	321,375
Subtotal Construction	31,115,068	24,366,192	6,748,876
Soft Costs			
Architect & Engineering	1,563,531	1,392,354	171,177
Survey and Permits	552,447	455,341	97,106
Clerk of the Works	125,000	100,000	25,000
Environmental Engineer	100,000	75,000	25,000
Bond Premium	176,000	185,647	(9,647)
Legal	250,000	200,000	50,000
Title/Recording	60,000	40,000	20,000
Accounting/Cost Cert	45,000	40,000	5,000
Marketing & Rent-Up	25,000	25,000	-
Real Estate Taxes	-	90,000	(90,000)
Insurance (Construction)	63,786	55,470	8,316
Relocation	75,000	60,000	15,000
Appraisal/Market Study	25,000	25,000	-
Pre-Construction Services	425,000	500,000	(75,000)
Operating Deficit Reserve	144,674	-	144,674
Construction Loan Interest	800,000	700,000	100,000
Construction Loan Fees	339,250	113,750	225,500
Perm Loan Fees	183,356	178,710	4,646
MIP	19,930	19,425	505
Testing and Inspections	35,000	-	35,000
Commissioning	40,000	-	40,000
Inspecting Engineer	34,200	50,000	(15,800)
Temp Replacement Parking	150,000	-	150,000
Other Financing Fees	5,000	5,000	-
Development Consultant	10,000	-	10,000
Energy/Green Consulting	81,100	75,000	6,100
FF&E	250,000	20,000	230,000
Utility Connection Fees	150,000	150,000	-
Pre-dev loan fees/interest	51,250	21,250	30,000
Syndication Fees	-	-	-
DHCD Processing Fee	57,500	60,000	(2,500)
DHCD Compliance Fee	-	22,500	(22,500)
Soft Cost Contingency	291,851	232,972	58,879
Subtotal Soft Costs	6,128,875	4,892,419	1,236,456
Developer Overhead	1,300,000	1,250,000	50,000
Developer's Fee	1,300,000	1,250,000	50,000
Operating Reserves	591,936	556,133	35,803
Subtotal Fees, etc.	3,191,936	3,056,133	135,803
Total Uses	40,435,879	32,314,745	8,121,135

Golda Meir House Expansion Project
Operating Income and Expenses - July 2020

Unit Mix	# of Units	Rent/Unit
1-Bedroom Units		
Sec 8 Units	18	\$2,090
PRAC Units	25	\$754
LIHTC-60% Units	2	\$1,300
Moderate Income Units	8	\$2,100
Unrestricted Units	4	\$2,250
Grad Student(s) Units	-	-
Total 1-Bedrooms	57	
2-Bedroom Units		
Sec 8 Units	2	\$2,542
PRAC Units	-	-
LIHTC-60% Units	3	\$1,500
Moderate Income Units	2	\$2,500
Unrestricted Units	3	\$2,750
Grad Student(s) Units	1	\$1,000
Total 2-Bedrooms	11	
Total Units	68	

Operating Income	
Residential	
Sec 8 Units	512,448
PRAC Units	226,269
LIHTC-60% Units	85,200
Grad Student(s) Units	12,000
Mod + Unrestricted Units	468,600
Residential Revenue Subtotal	1,304,517
Commercial	-
Other (Laundry, Service Fees, etc.)	6,528
Other Revenue Subtotal	6,528
Gross Revenue	1,311,045
Vacancy	
Vacancy - Sec 8 Units	(25,622)
Vacancy - PRAC Units	(11,313)
Vacancy - LIHTC-60% Units	(4,260)
Vacancy - Grad Student(s) Units	(600)
Vacancy - Mod + Unrestricted Units	(23,430)
Commercial vacancy	-
Other vacancy	(326)
Total vacancy	(65,552)
Total Revenue	1,245,493

Net Operating Income	473,467
Debt Service	(396,847)
Mortgage Insurance Premium	(19,930)
Cash Flow after Debt Service	56,690

Operating Expenses	Total	Res P/U
Management Fee	65,226	959
Administration		
Payroll, Administrative	87,500	1,287
Payroll Taxes & Benefits, Admin.	24,500	360
Legal	1,000	15
Audit	8,500	125
Marketing	5,000	74
Telephone	-	-
Office Supplies	15,000	221
DHCD Monitoring Fee	1,500	22
Other: Misc Admin	10,000	147
Admin Subtotal	153,000	2,250
Operations		
Payroll, Maintenance	57,500	846
Payroll Taxes & Benefits, Admin	16,100	237
Janitorial Materials	12,000	176
Landscaping	7,500	110
Decorating (inter. only)	-	-
Repairs (inter. & ext.)	22,000	324
Elevator Maintenance	4,200	62
Trash Removal	5,000	74
Snow Removal	6,000	88
Extermination	1,000	15
Other: Emergency	2,400	35
Other: HVAC	18,000	265
Operations Subtotal	151,700	2,231
Resident Services	75,000	1,103
Security	3,500	51
Utilities		
Electricity	81,600	1,200
Heat and Hot Water	12,240	180
Water and Sewer	65,280	960
Utility Subtotal	159,120	2,340
Replacement Reserve	24,480	360
Real Estate Taxes	100,000	1,471
Insurance	40,000	588
Taxes, Insurance Subtotal	140,000	2,059
Total Operating Expenses	772,026	11,353

Golda Expansion											
<i>10 Year Operating Budget - July 2020</i>											
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Income											
Sec 8 Units	512,448	522,697	533,151	543,814	554,690	565,784	577,100	588,642	600,415	612,423	
MRVP Units	226,269	230,794	235,410	240,118	244,921	249,819	254,815	259,912	265,110	270,412	
LIHTC- 60% Units	85,200	86,904	88,642	90,415	92,223	94,068	95,949	97,868	99,825	101,822	
NEC Units	12,000	12,240	12,485	12,734	12,989	13,249	13,514	13,784	14,060	14,341	
Moderate + Market	468,600	477,972	487,531	497,282	507,228	517,372	527,720	538,274	549,040	560,020	
Commercial	0	0	0	0	0	0	0	0	0	0	
Other	6,528	6,659	6,792	6,928	7,066	7,207	7,352	7,499	7,649	7,802	
Gross Revenue	1,311,045	1,337,266	1,364,011	1,391,291	1,419,117	1,447,499	1,476,450	1,505,979	1,536,099	1,566,820	
Vacancy	(65,552)	(66,863)	(68,201)	(69,565)	(70,956)	(72,375)	(73,822)	(75,299)	(76,805)	(78,341)	
Effective Gross Income	1,245,493	1,270,403	1,295,810	1,321,726	1,348,161	1,375,124	1,402,628	1,430,680	1,459,294	1,488,479	
<i>Percent Change</i>		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
Expenses											
Management Fee	65,226	66,530	67,861	69,218	70,603	72,015	73,455	74,924	76,422	77,951	
Administration/Payroll	158,000	162,740	167,622	172,651	177,830	183,165	188,660	194,320	200,150	206,154	
Maintenance & Operating	151,700	156,251	160,939	165,767	170,740	175,862	181,138	186,572	192,169	197,934	
Resident Services	75,000	77,250	79,568	81,955	84,413	86,946	89,554	92,241	95,008	97,858	
Security	3,500	3,605	3,713	3,825	3,939	4,057	4,179	4,305	4,434	4,567	
Utilities	159,120	163,894	168,810	173,875	179,091	184,464	189,998	195,698	201,568	207,616	
Taxes, Insurance	150,000	154,500	159,135	163,909	168,826	173,891	179,108	184,481	190,016	195,716	
Total Operating Expenses	762,546	784,770	807,648	831,200	855,442	880,400	906,092	932,541	959,767	987,796	
<i>Per Apartment</i>	<i>11,214</i>	<i>11,541</i>	<i>11,877</i>	<i>12,224</i>	<i>12,580</i>	<i>12,947</i>	<i>13,325</i>	<i>13,714</i>	<i>14,114</i>	<i>14,526</i>	
<i>Percent Change</i>		2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	
Net Operating Income	482,947	485,633	488,162	490,526	492,719	494,724	496,536	498,139	499,527	500,683	
Replacement Reserves	(24,480)	(25,214)	(25,971)	(26,750)	(27,552)	(28,379)	(29,230)	(30,107)	(31,011)	(31,941)	
Cash Flow after RR	458,467	460,419	462,191	463,776	465,167	466,345	467,306	468,032	468,516	468,742	
Debt Service											
First Mortgage P&I	(396,847)	(396,847)	(396,847)	(396,847)	(396,847)	(396,847)	(396,847)	(396,847)	(396,847)	(396,847)	
MIP	(19,721)	(19,504)	(19,279)	(19,044)	(18,799)	(18,545)	(18,281)	(18,006)	(17,720)	(17,423)	
DSCR	1.10	1.11	1.11	1.12	1.12	1.12	1.13	1.13	1.13	1.13	
Cash Flow after Debt Service	41,899	44,068	46,065	47,885	49,521	50,953	52,178	53,179	53,949	54,472	
Cash Flow Priority Payments:											
Investor Asset Mgmt Fee	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	
Deferred Developer Fee	36,898	38,917	40,762	42,424	43,892	45,157	46,207	47,030	47,615	33,821	
2Life Asset Mgmt Fee	0	0	0	0	0	0	0	0	0	14,128	
MassDocs Cash Flow Share	0	0	0	0	0	0	0	0	0	0	
Sponsor Loan(s) Cash Flow Share	0	0	0	0	0	0	0	0	0	0	
Incentive Management Fee	0	0	0	0	0	0	0	0	0	0	
Cash Flow to LP	0	0	0	0	0	0	0	0	0	0	
Total Priority Payments	41,898	44,067	46,067	47,888	49,520	50,953	52,177	53,179	53,949	54,473	
Cash Flow after Priority Payments	0	0	0	0	0	0	0	0	0	0	

Golda Meir House Expansion Evidence of Non-City Funding Sources as of July 2020

1. Permanent Financing

MassHousing provided a Prescreen Memorandum and Term Sheet for permanent financing with a total loan amount of up to \$8,162,000. Loan terms for permanent financing, as well as construction financing, are described in the attached letter dated October 18, 2019.

2. Official Action Status Approval

The Golda Meir House Expansion applied to MassHousing for Official Action Status (“OAS”) in June 2019, which determines the project’s eligibility for 4% tax credits and tax-exempt financing. The OAS application was approved on July 10, 2019 and the determination letter is attached.

3. Low Income Housing Tax Credits

The attached award letter from DHCD dated March 2, 2020 shows a \$1,000,000 annual allocation of State LIHTCs. We are currently out to bid for both the state and 4% LIHTC equity, the July 2020 budget presented in this proposal assumes a tax credit price of \$1.015/credit for the federal 4% credits and \$0.80/credit for the state credits, for a combined equity raise of approximately \$14.2 million.

4. DHCD Subordinate Debt

Award letters are attached for a total \$5 million in subordinate debt from the following sources:

- Affordable Housing Trust Fund – \$2,000,000
- Housing Innovations Fund – \$1,000,000
- Housing Stabilization Fund – \$500,000
- Non-Federal Investment Trust – \$1,000,000
- HOME – \$500,000

5. HUD Section 202 Funds

The attached letter dated February 10, 2020 shows HUD’s commitment of \$4 million in Capital Advance funds and a Project Rental Assistance Contract (PRAC) for 25 apartments.

6. Farnsworth Trust

The Farnsworth Trust has committed \$480,000 in philanthropic capital funds to the Golda Expansion project. See attached commitment letter.

7. Harry and Jeannette Weinberg Foundation

Weinberg Foundation staff announced the approval of a \$1.25 million capital grant in June 2020. The grant agreement is forthcoming and 2Life is happy to share the agreement upon request.

8. Golda Renovation Project Savings

2Life successfully managed the recent Golda Meir House renovation project to capture \$835,400 in project savings/upward adjuster and has committed to contribute these funds as a capital source for Expansion project. See attached commitment letter.

9. Deferred Developer Fee

The developer/sponsor, 2Life Development Inc., will defer a portion of the development fee. The anticipated amount is \$400,000, 15.4% of the total fee.

10. Utility Rebates

The project anticipates approximately \$74,800 in rebates from MassSave for energy efficiency measures.

11. Rental Subsidies

The attached award letter from DHCD dated March 20, 2020 shows a commitment of twenty Section 8 Project-Based Vouchers.



**Prescreen Memorandum
Low Income Housing Tax Credit (LIHTC) Transactions**

To: Zoe Weinrobe, Director of Real Estate Innovation, 2Life Communities
Cc: Cynthia Lacasse, Director of Rental Business Development
Michael Carthas, Underwriter
From: Max Glikman, Multifamily Originator
Date: October 18, 2019
Re: Proposed Financing of **Golda Meir House Expansion**

MassHousing conducted a prescreen of Golda Meir House Expansion, a 68 -unit development located in Newton to provide a preliminary loan size for a potential financing transaction. For purposes of the prescreen, we assumed a Tax-Exempt transaction involving 4% tax credits utilizing the HUD-HFA Risk Sharing Program. A Term Sheet presenting a basic outline of the terms and conditions of the proposed financing is attached. The terms are contingent upon the project receiving an award of 202 funds from HUD, all other sources reflected in the attached Preliminary Financing Assumptions and an allocation of tax-exempt volume cap.

Attached to this memorandum are the following:

1. Term Sheet
2. Preliminary Financing Assumptions

Below is information on our analysis based on the information you provided to us. Be advised, however, that prescreen reviews of Low Income Housing Tax Credit (LIHTC) 9% or tax-exempt (4%) transactions, especially those seeking other soft-debt financing from DHCD, are by their very nature more speculative, because rental income (based on “as-improved” market rents) and operating expenses (e.g. utility savings) are influenced considerably by the scope of work that can be supported by available capital resources (DHCD funding or the LIHTC equity raise).

Assuming an interest rate of 4.00%, the assumptions included in the attached Term Sheet, and the submitted operating income and expenses, the requested loan amount of \$8,162,000 is supportable. This determination represents a preliminary analysis, and is subject to full underwriting, including (without limitation) the need to factor in data from required third-party reports, confirmation that the loan is within 90% LTV, and approval by the Members of MassHousing.

The rents included in the attached Preliminary Financing Assumptions reflect the proposed income restrictions. Ultimately, the underwritten rents for all units will be based on data obtained from the

MassHousing-commissioned appraisal, and if necessary, a market study, as commissioned by MassHousing at its sole discretion, which will occur during underwriting.

Residential operating expenses were estimated based on the proforma submitted by the Sponsor and are included in the attached Preliminary Financing Assumptions.

In our initial analysis, we have identified items that could impact the ability to achieve the requested loan amount. While all assumptions will be reviewed and analyzed as part of the underwriting process, below are items that we want to flag as they have the potential to impact the supportable loan amount. These include:

- Underwriting Rents: The market study will provide information on the market rents as well as demand for the project units. Additionally, we will need to review the PRAC operating subsidy contract from HUD to determine how to underwrite the rents on the 25 PRAC units.
- Operating Expenses: Comparable properties will be identified, and a deeper analysis of the operating expenses will occur as part of the underwriting process.
- Replacement Reserves: We have assumed the minimum required annual deposits to replacement reserves (ADRR) to be \$360 per unit per year for the purposes of this prescreen analysis. The final amount of the ADRR, and whether an initial deposit to the replacement reserve account will be required, will be determined as part of the underwriting process.
- Per Unit Cost: We will need to engage with 2Lifes Communities regarding the per unit cost, which exceeds \$500,000.
- Interest Rate: For the purposes of this prescreen analysis, we have assumed an interest rate of 4.00%, which represents this week's 30-Year AAA-MMD plus 175 basis points and includes a 25 basis point cushion. The final interest rate will be set at the construction closing.

The total tax-exempt financing shall be the minimum amount necessary to ensure that over 50% of the aggregate basis of the development is funded with tax-exempt bond proceeds (the "50% Test"), as determined in accordance with applicable tax code provisions.

Additional diligence or supporting documentation will be required as part of the underwriting process.

MassHousing borrowers are required to be limited dividend organizations. MassHousing-financed developments must have a minimum level of affordability at 20% of units affordable to those earning up to 80% of Area Median Income (applicable programs may require deeper affordability) and MassHousing-approved tenant selection and fair housing marketing plans. For additional information on MassHousing loan requirements, please see "General Multifamily Loan Closing Standards" located on MassHousing's website:

https://www.masshousingrental.com/portal/server.pt/community/library/332/new_borrowers_developers_forms_documents#



Term Sheet
Low Income Housing Tax Credit (LIHTC) Transaction

Sponsor: 2Life Communities (the "Sponsor")

Borrower: TBD or another single-purpose, sole-asset entity controlled by Sponsor

Development: Golda Meir House Expansion (the "Development") a proposed 68-unit affordable housing development located in Newton

Proposed Loans & Terms:

First Loan

Amount & Type: \$8,162,000 construction/permanent first mortgage loan (the "First Loan")

Rate: 30-Year MMD-AAA plus 175 basis points (bps) to be locked at Construction Loan Closing.

Term: 40 years

Amortization: 40 Years

Minimum DSCR: 1.10x

Maximum Loan-to-Value: 90%

Construction Loan

Amount & Type: \$12,000,000 tax-exempt construction loan (the "Construction Loan")

Rate: 3-month LIBOR plus 175 bps to be locked at Construction Loan Closing.

Term: 24 months

The term "Loans" refers collectively to the First Loan and any other MassHousing loans, and the term "Loan" refers to any such loan.

Permanent Loan Conversion: The First Loan will convert to permanent loan and begin amortization upon completion of the proposed construction of the Development, consistent with the loan documents and in form and substance satisfactory to MassHousing. Certain closing conditions must be satisfied by Borrower prior to Permanent Closing. Among other conditions, the Development should reach a level of stabilized occupancy of at least 90% and a debt service coverage ratio of 1.10 for ninety (90) days.

Fees:

Application Fee: 0.30% of First and Construction Loan amounts, or \$60,486, due at application (non-refundable)

Financing Fee: 2.00% of First Loan and Construction Loan amounts, due at Construction Loan Closing

Mortgage Insurance Premium (MIP): 0.25% of First Loan Amount. As the MIP is an annual fee payable in advance, the first year's MIP (MIP rate x total loan amount) must be included in the capital budget for payment either at the construction loan or the permanent loan closing. For developments receiving Risk-Sharing insured construction financing, additional funds must also be provided for in the capital budget to cover MIPs for the length of the construction period. An annual amount should be included in the operating budget.

Third-Party Reports: Market Study, and Appraisal

MassHousing shall not separately charge lender legal fees for this transaction.

Prepayment: Prepayment of Loans is permitted after 15 years, subject to applicable prepayment penalties and costs, except the Construction Loan, which may only be prepaid as outlined in the loan agreement, or with MassHousing consent.

Affordability: A disposition agreement shall be recorded ahead of MassHousing's mortgage(s) at Closing that requires at least 20% of the units at the Development be rented to tenants earning not more than 80% of Area Median Income at rents not more than 30% of such income limit for a term of at least 15 years.

In connection with HUD Risk Sharing insurance for the First Loan, the tax-exempt financing provided to the Borrower, Borrower agrees to rent at least

40% of the residential units at the Development to persons or families earning not more than 60% of Area Median Income. This income restriction is also required in connection with the HUD Risk-Sharing insurance for the First Loan.

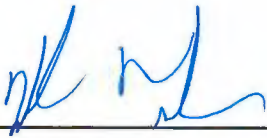
**Federal Tax
Credit Equity:**

The final amount of the tax credit equity raise is subject to MassHousing's approval, and a minimum of 15% of the equity raise (as applicable, for each tax credit equity source) shall be delivered at the closing of the construction loan ("Construction Closing") and applied toward approved project uses; a greater percentage may be required based on the development-period cash flows. The terms and conditions of Borrower's agreements with the federal tax credit investor ("Equity Investor"), including without limitation, the amounts and timing of the Equity Investor's capital contributions, are subject to MassHousing's review and approval.

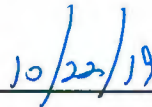
Rate Lock:

MassHousing may, in its sole discretion, require that a borrower enter into agreements ("Rate Lock Agreements") with MassHousing prior to loan closing in connection with MassHousing's financing of such loan through a bond, note or other financing transaction. A borrower may also request MassHousing to enter into Rate Lock Agreements regarding its mortgage loan(s). The Rate Lock Agreements will commit the Borrower to close by a certain date (subject to extension as described below), lock a fixed or maximum rate, and provide security to MassHousing regarding the borrower's commitment to close the mortgage loan in the form of a "Good Faith Deposit." Borrowers will provide the Good Faith Deposit by providing cash to MassHousing in an aggregate amount of up to one percent (1%) of the maximum principal amount of the MassHousing Financing (0.5% for nonprofit sponsors), or such other form or amount as may be determined by the Financial Director as adequate to cover the financial exposure to MassHousing if the MassHousing Financing fails to close as projected. At loan closing, the rate lock fee shall be credited to the financing fee. The Rate Lock Agreements will provide a deadline for closing on the MassHousing Financing (and entering into a Permanent Loan Agreement, if applicable), and if the closing has not occurred by such date, a 0.25% extension fee will be required for an extension of up to sixty (60) days, with any further extensions granted by MassHousing as may be determined by the Financial Director subject to the terms of the financing transaction. The extension fee is a non-refundable, non-mortgageable cost and may not be applied against the financing fee otherwise due at Closing.

This is a term sheet, not a financing commitment. The terms and conditions include the information described in the Prescreen Memorandum and are subject to change, in whole or in part, and this Term Sheet does not contain all of the terms, conditions and other provisions involved in this transaction. All loans are subject to full underwriting and approval by the Members of MassHousing. If you wish MassHousing to proceed with underwriting, please provide your acceptance of the Term Sheet, a complete financing application, and the application fee identified on the Term Sheet within ten (10) days. This Term Sheet will expire if the Development has not received a commitment of financing from MassHousing within six months of execution by the Borrower.



Mark Teden
Vice President of Multifamily Programs



Date

ACCEPTED BY:

Name:
Title:

Date



Preliminary Financing Assumptions

Project Name Golda Meir House Expansion
 Project Sponsor 2Life Communities

Prescreen Date 8/16/2019

Preliminary Loan Assumptions

Loan Terms - First Mortgage

Base Rate	2.00%
Spread	1.75%
Cushion	0.25%
Projected Interest Rate	4.00%
Loan Term (yrs)	40
Amortization Period (yrs):	40
Debt Constant	0.05015262
Debt Service	\$409,346
Y1 First Mortgage DSC	1.17
Supportable First Mortgage Loan Amount:	8,162,000

Development Sources + Uses

Permanent Sources	Total	per Unit
First Mortgage / MassHousing	\$8,162,000	\$120,029
Federal LIHTC Equity	\$9,426,766	\$138,629
State LIHTC Equity	\$3,999,600	\$58,818
Newton CPA	\$3,250,000	\$47,794
Utility Rebates (Sponsor Loan)	\$74,800	\$1,100
Farnsworth Foundation (Sponsor Loan)	\$480,000	\$7,059
DHCD Subordinate Debt	\$5,000,000	\$73,529
Golda Rehab Savings (Sponsor Loan)	\$835,400	\$12,285
2Life Philanthropy (Sponsor Loan)	\$3,068,619	\$45,127
HUD 202 Capital Advance	\$4,000,000	\$58,824
Deferred Developer Fee	\$520,000	\$7,647
Permanent Sources	\$38,817,185	\$570,841

Uses	Total	per Unit
Acquisition	\$100	\$1
Construction	\$29,927,591	\$440,112
Soft Costs	\$5,680,372	\$83,535
Developer OH + Fee	\$2,600,000	\$38,235
Operating Reserve	\$609,121	\$8,958
Total Development Cost	\$38,817,184	\$570,841

Unit + Rent Information

	TOTAL	Market/ unrestricted	Section 8	Moderate Income 100%	PRAC	Tax Credit at 60%	Grad Student Unit
Vacancy		5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
1-BR Count	57	4	18	8	25	2	
Underwritten Rent		\$2,250	\$2,090	\$2,000	\$958	\$1,197	
2-BR Count	11	3	2	2		3	1
Underwritten Rent		\$2,750	\$2,542	\$2,300		\$1,387	\$1,000
TOTAL Count	68	7	20	10	25	5	1

Income & Expenses

	Total	Per Unit
Gross Potential Rent	\$1,344,833	\$19,777
Other Income	\$6,202	\$91
Vacancies & Deductions	(\$67,242)	-\$989
Total Effective Income	\$1,283,793	\$18,879
Operating Expenses (pre-RRD)	\$780,195	\$11,473
Replacement Reserve Deposits	\$24,480	\$360
Total Operating Expenses	\$804,675	\$11,833
NOI	\$479,118	

Operating Expenses

Operating Expenses	Total	per Unit
Mgmt Fee 5.00%	\$64,190	\$944
Administrative	\$129,600	\$1,906
Maintenance	\$216,000	\$3,176
Resident Services	\$75,000	\$1,103
Security	\$10,000	\$147
Utilities: Electricity	\$50,000	\$735
Utilities: Gas	\$50,000	\$735
Utilities: Water & Sewer	\$45,000	\$662
Taxes - Real Estate	\$80,000	\$1,176
Taxes Other, Interest, Insurance	\$40,000	\$588
MIP 0.25%	\$20,405	\$300
Operating Expenses (pre-RRD)	\$780,195	\$11,473
Replacement Reserve Deposits	\$24,480	\$360
Ground Lease Payment	\$0	\$0
Total Operating Expenses	\$804,675	\$11,833



Massachusetts Housing Finance Agency
One Beacon Street, Boston, MA 02108

TEL: 617.854.1000
FAX: 617.854.1091 | www.masshousing.com

Videophone: 857.366.4157 or Relay: 711

July 10, 2019

Amy Schectman
2Life Communities
30 Wallingford Road
Brighton, MA 02139

Re: Golda Meir House Expansion, Newton, Massachusetts
MH No. 19-116
Official Action Status

Dear Ms. Schectman:

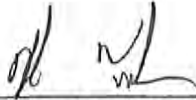
We are pleased to advise you that the development proposal of 2Life Communities on behalf of 2Life Development, Inc. (formerly known as Jewish Community Housing for the Elderly III, Inc.) for Golda Meir House Expansion has received Official Action Status pursuant to a vote of the MassHousing Members on July 9, 2019. A copy of the MassHousing OAS Memorandum is attached.

We look forward to receiving your mortgage application so that we may have the opportunity to continue working with you to structure a financing package that best meets the needs of the development. We wish you success in obtaining the funding you are seeking to support this important project.

This Official Action Status will expire on January 10, 2020, unless you receive a loan commitment from the Agency on or prior to that date. However, this Official Action Status may be extended by the Agency. Should the Agency decide to extend this Official Action Status, you will be charged a quarterly extension fee of \$250 for each and every quarter the Agency allows this Official Action Status to be extended.

This Official Action Status is valid only if signed and returned to MassHousing within 10 days of receipt and, while this Official Action Status is technically limited to the declaration of official intent required to reimburse certain project costs in the event tax-exempt debt is issued as part of the project's financing, MassHousing is entirely supportive of 2Life Communities' efforts to develop 68 new units of housing on the Golda Meir site.


MASSACHUSETTS HOUSING FINANCE AGENCY



Mark Teden, Vice President of Multifamily Programs

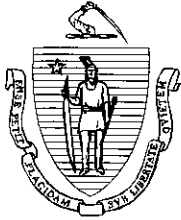
The undersigned accepts the Official Action Status described herein

ACCEPTED BY: ZLife Development, Inc.

By: 
Name: Elizabeth Meyer, duly authorized
Title: clerk

Date: 7/11/19

Attachment: MassHousing OAS



Commonwealth of Massachusetts
**DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT**

Charles D. Baker, Governor ♦ Karyn E. Polito, Lt. Governor ♦ Jennifer D. Maddox, Undersecretary

March 2, 2020

Lizbeth Heyer
Chief of Real Estate and Innovations
2Life Development, Inc.
30 Wallingford Road
Boston, MA 02135

RE: Golda Meir House Expansion, Newton, MA

Dear Ms. Heyer:

On behalf of Governor Charles D. Baker, I am pleased to announce the selection of Golda Meir House Expansion (the "Project"), located in Newton, MA, for a **Conditional Reservation** of Massachusetts State Low-Income Housing Tax Credits. The Department of Housing and Community Development ("DHCD") is setting aside \$1,000,000 of its 2020, or a later year of Massachusetts State Low-Income Housing Tax Credits for the Project. This letter represents a **Conditional Reservation** of the stated amounts of tax credits. This amount is based upon DHCD's determination that this is the least amount of tax credits necessary for the feasibility of the Project. This tax credit amount is subject to DHCD review at the time a binding commitment is requested, at the time of carryover allocation (if applicable), and at the time the Project is placed in service pursuant to Section 42 of the Internal Revenue Code. At the time these subsequent reviews take place, DHCD reserves the right to reduce the tax credit amount based on DHCD's determination of the least amount of tax credits necessary for the feasibility of the Project at that time.

As of the date of this Conditional Reservation, there are insufficient 2020 state tax credits available to fund your entire Conditional Reservation. If a sufficient amount of 2020 state tax credits to fund your entire Conditional Reservation becomes available to DHCD through returned tax credits between the date of this Conditional Reservation and project loan closing or December 1, 2020, then DHCD will make an allocation of 2020 state tax credits to the Project subject to all of the conditions set forth below. If additional 2020 state tax credits sufficient to meet the entire Conditional Reservation do not become available, then, subject to all of the conditions set forth below, DHCD may make an allocation of a later year of state tax credits to the Project for all or a portion of this amount and will issue, by the end of the calendar year, a binding commitment to allocate a later year of State Low-Income Housing Tax Credits to the Project in accordance with Internal Revenue Code Section 42(h)(1)(C), M.G.L. c. 62 sec. 6I, and M.G.L. c. 63 sec. 31H for the balance of the Conditional Reservation amount. Such binding commitment will contain conditions established by DHCD, and all such conditions must be met to DHCD's satisfaction in order for DHCD to allocate tax credits to the Project.

This Conditional Reservation is issued pursuant to and in reliance upon information presented in the Low-Income Housing Tax Credit Program/One Stop Application submitted October 31, 2019, which stated the developer shall lease 50 of the 68 units (or 73.53% of the units) in the Project to individuals or families whose average income is 60% or less of the area median gross income as determined in accordance with Section 42 of the Internal Revenue Code. The Application also stated that at least 20 units would be leased to households whose incomes are at or below 30% area median gross income adjusted for family size. Should such information or any other information presented in the above-referenced application change, DHCD must be notified immediately and it reserves the right to reduce and/or withdraw this Conditional Reservation. **With the issuance of this award letter, DHCD will not permit an increase in the total developer fee, overhead, and consulting costs (as calculated in accordance with the calculation schedule provided in the 2018-2019 QAP), from the calculation submitted in the approved One Stop Application.**

This Conditional Reservation for the Low-Income Housing Tax Credits is subject to the Project's meeting one of the following requirements:

1) The Project is eligible for a Carryover Allocation pursuant to Section 42 of the Internal Revenue Code.

If the Project has not been Placed in Service pursuant to Section 42 of the Internal Revenue Code by the end of the calendar year in which you have credits, the Project may be eligible to receive a Carryover Allocation of tax credits if all conditions stipulated by DHCD in Attachment 1 have been met. The Project will then have two years from the date of the Carryover, in which to be Placed in Service. Documentation verifying that the conditions in Attachment 1 have been met as stipulated must be submitted to Jonathan Tambiah, DHCD, 100 Cambridge Street, Suite 300, Boston, MA 02114 no later than **project loan closing or October 1, 2020.** DHCD expressly reserves the right to reduce or withdraw this Conditional Reservation if all conditions in Attachment 1 are not met to DHCD's satisfaction by October 1, 2020. If the Project receives a Carryover Allocation, a binding election must be made by December 1st of the year in which you have credits, whether to freeze the tax credit rate at the December rate or select the rate for the month the Project is placed in service.

2) The Project or one or more buildings in the Project is Placed in Service pursuant to Section 42 of the Internal Revenue Code.

If the Project or one or more buildings in the Project is placed in service by the end of the calendar year in which you have credits, the Project or one or more buildings in the Project may be eligible to receive an IRS Form 8609 and Eligibility Statement (Final Allocation) of credits provided that the Project satisfies all pertinent IRS and DHCD requirements. You must contact Jonathan Tambiah in writing at the above address no later than December 1st of the year in which you have credits if your project will be placed in service by December 31st of that year.

All projects will be subject to annual compliance monitoring to allow DHCD to certify the Project's compliance with Section 42(g) of the Internal Revenue Code, M.G.L. c.62 sec. 6I, and M.G.L. c.63 sec. 31H.

I am pleased by your interest in using the Low-Income Housing Tax Credit to provide affordable housing and look forward to seeing the Project move toward completion.

Sincerely,

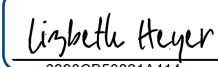


Jennifer D. Maddox
Undersecretary

cc: Senator Elizabeth Warren
Senator Edward J. Markey
Congressman Joseph P. Kennedy III
State Senator Cynthia Stone Creem
State Representative Kay S. Khan

By my signature below, I acknowledge the terms and conditions of this Conditional Reservation of Tax Credits. I fully understand that the Conditions required for a Carryover Allocation and/or Binding Commitment ***must be met by the dates specified in Attachment 1 hereto or my Reservation of Tax Credits will be in jeopardy. I understand that late submission of the required documentation will result in penalty fees*** (Please sign this acknowledgment and return it to DHCD.)

DocuSigned by:



Signature

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4/27/2020

Date

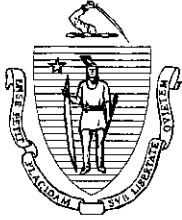
Low-Income Housing Tax Credit Program
Conditional Reservation
March 2, 2020
Attachment 1

The following requirements must be met to DHCD's satisfaction by **project loan closing or October 1, 2020** to be eligible to receive a Carryover Allocation and/or Binding Commitment pursuant to Section 42 of the Internal Revenue Code:

- Submission to DHCD of evidence of full financial closing by November 15, 2020.
- Submission to DHCD of a formal opinion in the format prescribed by DHCD (available on our website) from the project accountant demonstrating (1) ownership of the property by the entity receiving the tax credit allocation, and (2) certifying compliance with Section 42 of the Internal Revenue Code and Treasury Regulation 1.42-6 that more than ten percent (10%) of the Owner's total reasonably expected basis in the Project has been incurred.
- Execution of the Release and Indemnification Agreement (available on our website) by an authorized representative of the entity anticipating receiving the tax credit allocation and submission of the Agreement to DHCD. The Agreement releases and indemnifies DHCD from any loss, demand or judgment resulting from the allocation of tax credits. DHCD assumes no liability for determination of the qualified basis of any project. All tax credit developers should consult a qualified tax accountant, tax attorney, and/or syndicator to determine final eligibility for the credit.
- Execution of the Owner Certification (available on our website) by an authorized representative of the entity anticipating receiving the tax credit allocation and submission of the Certification to DHCD. Please submit a revised One-Stop Application that breaks out the rental portion of the project from the homeownership portion.
- Payment to DHCD of the tax credit commitment fee which is a portion of the tax credit processing fee. The total tax-credit processing fee is equal to 8.5% of the annual tax credit amount for for-profit developers and 4.5% of the annual tax credit amount for non-profit developers, or \$40,793. The state tax credit processing fee is equal to 3% of the annual state credit amount for for-profit developers and 1.5% of the annual state credit amount for non-profit developers, or \$15,000. The total processing fee associated with this Project is \$55,793. The commitment fee is equal to one-third of the total processing fee minus the application fee. The amount owed by October 1, 2020 for this project is \$17,548. Please make the check payable to the Department of Housing and Community Development.
- Identification of an accountant with previous LIHTC experience acceptable to DHCD.
- Identification of a general contractor acceptable to DHCD.
- Identification of a management agent acceptable to DHCD. Please provide evidence that all key property manager(s) have received training regarding the compliance requirements of IRC Section 42.

- Submission of documentation identifying the finalized terms and conditions of all non-DHCD funding sources, including an updated One Stop. Please note that you must submit the updated One Stop in electronic and paper form.
- Submission of compliance with the Massachusetts Historical Commission.
- Submission of evidence of compliance with all recommendations contained in the Phase I Environmental Site Assessment Report.
- Submission of final plans and specifications satisfactory to DHCD including evidence:
 - that high speed internet access will be provided in all units; and
 - that the final plans and specifications meet or exceed Energy Star standards and incorporate the sustainable design features pledged in the One Stop application submitted October 31, 2019.

Please be advised that any material changes to the plans and specifications must be reviewed and approved by DHCD.
- Submission of an “as-is” appraisal supporting the acquisition cost carried in the approved One-Stop.
- Submission of evidence of compliance with the Massachusetts Architectural Access Board and all applicable federal, state, and local regulations regarding handicapped accessibility.
- Submission of Certificates of Lead Paint Compliance, if applicable.
- Submission of evidence of all necessary zoning approvals from the City of Newton.
- Submission of projected Placed in Service date as agreed to in the partnership or operating agreement.
- Submission of a Fair Housing narrative describing how the marketing, tenant selection, and other applicable policies and procedures will incorporate the Department’s Fair Housing principles, including a pledge to list vacant units upon availability with Citizen’s Housing and Planning Association’s (CHAPA’s) Massachusetts Accessible Housing Registry at <http://www.chapa.org>.
- Submission of evidence that the equity contribution was competitively bid to ensure the highest yield possible.
- Commitment from a syndicator and/or investor acceptable to DHCD.
- Satisfactory market study.



Commonwealth of Massachusetts
DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT

Charles D. Baker, Governor ♦ Karyn E. Polito, Lt. Governor ♦ Jennifer D. Maddox, Undersecretary

March 2, 2020

Ms. Amy Schectman
30 Wallingford Road
Brighton, MA 02135

RE: Golda Meir Expansion, Newton

Dear Ms. Schectman:

On behalf of the Baker Polito Administration, I am pleased to inform you that funds in the amount of \$2,000,000 from the Affordable Housing Trust Fund ("AHTF") have been conditionally reserved by the Department of Housing and Community Development ("DHCD") for a permanent mortgage loan for the Project, subject to the terms stated herein. If all the requirements of this Conditional Funding Reservation and an AHTF Award are satisfied, the AHTF loan will be made to the Project's borrower/owner, 2Life Development, Inc. (the "Developer").

This Conditional Funding Reservation is issued pursuant to and in reliance on your funding application submitted to DHCD on October 31, 2019. The Conditional Funding Reservation is also based upon your agreement that the Project will consist of 68 units of rental housing, of which 60 will be Affordable Housing Trust Fund-assisted. AHTF units must be affordable to households at or below 110% of Area Median Income for at least 30 years. The amount awarded shall be the minimum amount necessary to make a project feasible. The borrower must be current on all existing mortgage obligations with the Commonwealth or any subdivision of the Commonwealth. To accomplish this goal, the loan documents will contain appropriate restrictions on the use of the Project.

The term may be extended under certain conditions with the approval of DHCD. The loan may be without interest or at an interest rate acceptable to DHCD which will be determined prior to loan closing, and there will be no periodic payments due under the loan. Typically, there will be one payment due at maturity, in an amount (subject to adjustment for interest costs, penalties, and other charges under the terms of the loan documents) representing the entire balance of the loan. However, DHCD reserves the right to require repayment of the Affordable Housing Trust Fund loan out of cash flow if DHCD deems there is or may be at some point in the future adequate cash flow to do so.

As collateral for the loan, DHCD will take a mortgage and security agreement on the real property included in the Project. The priority position of the Affordable Housing Trust Fund mortgage will be determined at the time of MassDocs loan closing. A change in ownership of the Project or in the legal form of the owner of the Project, the placing of additional encumbrances on the Project

without the prior written consent of DHCD, failure to maintain the Eligible Use for the Project, or default under senior mortgage loans, shall be among the events of default under the Affordable Housing Trust Fund loan.

This Conditional Funding Reservation is contingent upon the Developer meeting the following general conditions to the satisfaction of DHCD by November 15, 2020:

1. Submission to and approval by DHCD of the following:
 - a. Updated One-Stop: With the issuance of this award, DHCD will not permit an increase in the total developer fee, overhead, and consulting costs from the calculation submitted and approved in the One Stop Application. If additional project sources become available, DHCD may reduce its award.
 - b. Evidence of firm commitment for construction and/or permanent mortgage financing from those entities and in those amounts shown on the development pro forma, and on such terms as are acceptable to DHCD;
 - c. Detailed time lines for the construction of the Project, including construction completion date, funding schedule, and move-in date;
 - d. Documentation of the bid process, contractor, selection process, and plan for monitoring of construction or rehabilitation;
 - e. Documentation that the general contractor is bonded or, if the general contractor is unable to meet this requirement, at DHCD's discretion, the general contractor will be required to obtain or have a Letter of Credit for a minimum of 15% of the construction contract;
 - f. Documentation of plans for meeting applicable state and federal requirements regarding Section 3, Minority and Women-Owned Business Enterprises, Davis-Bacon, Environmental Review, Uniform Relocation Act, and conflict of interest; and
 - g. Documentation that all contractors/subcontractors have been screened to confirm that they are not debarred or ineligible to work on a project.
2. Submission of a purchase and sale agreement or an instrument satisfactory to DHCD which indicates that by the date of the Affordable Housing Trust Fund loan closing, the Developer will have clear title to the Project, quality of title to be satisfactory to DHCD's counsel;
3. Submission to and approval by DHCD of a final construction budget with bid prices from the selected general contractor;
4. Submission of satisfactory evidence that all other legal, design, regulatory and environmental requirements for the Project are fulfilled and approvals obtained and all site surveys required for the Project are obtained;
5. Submission of and approval by DHCD of the project's service plan and evidence of a satisfactory funding commitment for the services, as applicable;
6. Submission of final plans and specifications satisfactory to DHCD and in accordance with the current QAP including evidence:


- a. that high speed internet access will be provided in all units;
 - b. that the final plans and specifications meet or exceed Energy Star standards and incorporate the green design features outlined in the One Stop application, i.e. Appendix H;
 - c. that the building will meet federal and state requirements for accessibility;
7. Submission of a Fair Housing narrative describing how the marketing, tenant selection, and other applicable policies and procedures will incorporate the Department's Fair Housing principles;
 8. Submission to and approval by DHCD of proposed signage and press release material for groundbreaking, ribbon cuttings, etc., clearly referencing DHCD's financial support of the project;
 9. Please note that DHCD uses MassDocs loan documents. These documents are intended to be template document to be employed "as is" with the exception of project specific provisions. Sample MassDocs forms may be reviewed at www.massdocs.com; and
 10. Upon completion of the development, any cost savings from the original development budget may be paid per the forthcoming MassDocs loan documents. At the option of DHCD, the savings may be held as a capital reserve for the development.

Closing and funding of the Affordable Housing Trust Fund loan will be conditional upon the fulfillment of all terms and conditions of the Conditional Funding Reservation and upon satisfactory submission of all documents required by a loan closing agenda to be prepared by DHCD's special counsel for this loan. Funding of the Affordable Housing Trust Fund loan is also conditional upon the continued availability of general revenue funds or tax-exempt bonds or MassHousing flexible funds or MassHousing direct loan funds and release of funds by the Executive Office of Administration and Finance for the Affordable Housing Trust Fund. The AHTF tax exempt and general revenue loans can only be disbursed in accordance with a Capital Plan that has been approved by the Executive Office of Administration and Finance for each fiscal year of funding. Any changes in the loan amount or the timing of its disbursement may require a change in the Capital Plan and will be subject to approval of DHCD and the Executive Office of Administration and Finance. In the event that changes may be proposed, please contact the AHTF program manager.

This Conditional Funding Reservation will be in effect until November 15, 2020 and the Affordable Housing Trust Fund loan for the project may close no later than that date. If you become aware that the Project will not be able to meet all requirements for closing by that date, you should immediately contact Lynn Shields, Manager, at (617) 854-1381.

I congratulate you on receiving this Conditional Funding Reservation from the Affordable Housing Trust Fund and on your commitment to creating housing opportunities for low-income individuals and families. I look forward to seeing the project move toward completion.

Sincerely,


Jennifer D. Maddox
Undersecretary

cc: State Senator Cynthia Stone Creem
State Representative Kay Khan

This award letter shall be deemed accepted when it has been signed and a copy returned to DHCD.

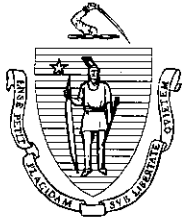
Borrower Signature: 
Date: 4/3/2020

ADDITIONAL AHTF CONDITIONS

1. The sponsor must close on the AHTF financing within one year of the date of this award or apply to the AHTF for an extension to the award. Inability to meet the one-year deadline may result in a reconsideration of this award.
2. The borrower will be responsible for payment of all costs of construction monitoring for the AHTF.
3. It is anticipated that the source of AHTF funds to be provided to the project will be tax-exempt funds.
4. The borrower of the AHTF funds must be a single purpose, sole asset entity with the exception of projects sponsored by public housing authorities in which case the public housing authority sponsor may be the borrower.
5. The fiscal year of the AHTF financing will be 2021.
6. All sources and uses must be acceptable to MassHousing.
7. AHTF financing must be applied to eligible uses. Commercial costs, reserves, and infrastructure are not eligible uses.
8. Identification of a general contractor acceptable to MassHousing and DHCD if the general contractor is not identified at the time of application or if the general contractor is changed from that in the application.
9. Upon receipt by the borrower, disbursing agent or escrow agent, AHTF funds must be deposited into non-interest-bearing accounts (IOLTA accounts may not be used).
10. The execution of an Affordable Housing Restriction satisfactory to MassHousing and DHCD that shall provide that units shall be leased, rented or otherwise made available exclusively to persons or families whose annual income, at the time of initial occupancy of the unit, is less than or equal to area median income based on family size pursuant to the so-called Section 8 Program under Section 8 of the U.S. Housing Act of 1937, or any successor program, and the regulations promulgated thereunder according to the schedule below.

Income Type	Bedrooms	Units	RA Type	Unit Type
30% Rental Assisted	1-Bed	18	Section 8	
30% Rental Assisted	2-Bed	2	Section 8	
50% Rental Assisted	1-Bed	25	PRAC	
60% Non-Rental Assisted	1-Bed	2		
60% Non-Rental Assisted	2-Bed	3		
100%	1-Bed	8		
100%	2-Bed	2		
Market Rate	1-Bed	4		
Market Rate	2-Bed	4		

11. The Affordable Housing Restriction shall be in effect in perpetuity.
12. The debt coverage ratio, trending assumptions, and vacancy rates must be acceptable to MassHousing.
13. Project sponsors are strongly encouraged to seek additional non-MassDocs sources for the project. Please note that in the event the sponsor obtains additional funding for the project, the Affordable Housing Trust Fund award may be reduced, as necessary and appropriate to maintain compliance and consistency with Affordable Housing Trust Fund requirements.
14. Submission of an as-is appraisal acceptable to MassHousing and DHCD.
15. If there is an identity of interest between the sponsor and the general contractor or if a construction contractor is selected on any basis other than a competitive bid, the sponsor must submit a plan acceptable to MassHousing and DHCD to ensure that construction pricing is competitive and, prior to loan closing, evidence that the price is, in fact, competitive.
16. The developer must respond to issues raised in recent design/cost review commissioned by DHCD in a form and manner acceptable to MassHousing.
17. Submission of an asbestos abatement plan during construction acceptable to MassHousing.



Commonwealth of Massachusetts
**DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT**

Charles D. Baker, Governor ♦ Karyn E. Polito, Lt. Governor ♦ Jennifer D. Maddox, Undersecretary

March 2, 2020

Ms. Rachel Belanger
Project Manager
2Life Communities
30 Wallingford Road
Brighton, MA 02135

RE: Golda Meir House Expansion, Newton

Dear Ms. Belanger:

On behalf of the Baker Polito Administration, I am pleased to inform you that funds in an amount not to exceed \$1,000,000 from the Housing Innovations Fund Program (HIF) have been conditionally reserved by the Department of Housing and Community Development (DHCD) as a permanent mortgage loan for the Project, subject to the terms stated herein. If all the requirements of this Conditional Funding Reservation are satisfied, the HIF loan will be made to the project's borrower/owner, 2Life Golda Expansion LLC (the "Developer").

This Conditional Funding Reservation is issued pursuant to and in reliance on your application submitted to DHCD on October 31, 2019. The Project must proceed to a full financial closing by November 15, 2020 or this Conditional Funding Reservation will expire and may not be renewed by DHCD. It is also based upon your agreement that the Project will consist of 68 units of housing, 68 of which will be Housing Innovations Fund-assisted. In general, HIF-assisted units will be reserved for 30 years. A minimum of 50% of the total units must be reserved for low-income individuals or families with household incomes below 80% of area median, and at least 50% of those units (or 25% of the total) must be reserved for extremely low-income individuals or families with household incomes below 30% of area median (the "Eligible Use"). To accomplish this goal, the loan documents will contain appropriate restrictions on the use of the Project.

The loan term will be 30 years. The term may be extended for one or more periods of up to 10 years each under certain conditions with the approval of DHCD. Except in the event of default by the borrower, the HIF loan will not accrue interest. No periodic payments will be due under the loan. The HIF loan may not be prepaid during the term of the loan. There will be no loan origination or other loan processing fees charged to the Developer, with the exception of possible legal fees.

DHCD's practice has been to pay the entire cost of the outside legal counsel assigned to close the loan. In an effort to reduce legal costs for the program and to preserve the program's ability to foster the creation of additional housing, we will budget \$9,000 for the closing of this loan. It is

our desire and hope that the cost will actually be less. It is the borrower's responsibility to ensure that our legal counsel is provided with all the necessary documentation in a timely and professional manner. Any costs above this amount will be the responsibility of the borrower. Funds in an amount necessary to cover fees in excess of the \$9,000 will be paid by the borrower at the closing of the HIF loan from the proceeds of the loan or through terms mutually agreed upon by the borrower and DHCD.

As collateral for the loan, DHCD will take a mortgage and security position on the real property included in the Project. The priority position of the HIF mortgage may not be any more junior than a third mortgage, unless DHCD agrees otherwise in writing. A change in ownership of the Project or in the legal form of the owner of the Project, the placing of additional encumbrances on the Project without the prior written consent of DHCD, failure to maintain the Eligible Use of the Project, or default under senior mortgage loans, shall be among the events of default under the HIF loan.

This Conditional Funding Reservation will result in a HIF loan to the Project, provided the Developer meets the following conditions to the satisfaction of DHCD by November 15, 2020:

1. submission to and approval by DHCD of the following:
 - a. updated development and operating pro formas: With the issuance of this award, DHCD will not permit an increase in the total developer fee, overhead, and consulting costs, from the calculation submitted and approved in the One Stop Application, if additional project sources become available, DHCD may reduce its award;
 - b. evidence of a firm commitment of all acquisition, construction and permanent mortgage financing from those entities and in those amounts shown on the development pro forma, and on such terms as are acceptable to DHCD;
 - c. detailed time lines for the rehabilitation of the Project, including construction completion date, funding schedule, and move-in date;
 - d. documentation of the bid process, contractor selection process, and plan for monitoring of rehabilitation;
 - e. documentation that the general contractor is bonded or, if the general contractor is unable to meet this requirement, at DHCD's discretion the general contractor will be required to obtain a Letter of Credit for a minimum of 15% of the construction contract;
 - f. documentation of plans for meeting applicable state and/or federal requirements regarding Section 3, Minority and Women-Owned Business Enterprises, Davis-Bacon, Environmental Review, Uniform Relocation Act, and conflict of interest;
 - g. documentation that all contractors/subcontractors have been screened to confirm that they are not debarred or ineligible to work on a project;
2. submission of an instrument satisfactory to DHCD which indicates that by the date of the FCF-DMH loan closing, the Developer will have clear title to the Project, quality of the title to be satisfactory to DHCD's counsel;

3. submission to and approval by DHCD of a final construction budget with bid prices from the selected general contractor;
4. submission of final plans and specification satisfactory to DHCD;
5. submission of documentation that the building will meet federal and state requirements for accessibility;
6. submission of a Fair Housing narrative describing how the marketing, tenant selection, and other applicable policies and procedures will incorporate the Department's Fair Housing principles;
7. submission of satisfactory evidence that all other legal, design, regulatory, and environmental requirements for the Project are fulfilled and all approvals and site surveys required for the Project are obtained;
8. submission of and approval by DHCD of evidence of a satisfactory funding commitment for the Project's service plan.
9. submission of and approval by DHCD of incorporation in the project, to the extent feasible and possible, of all elements of green design in accordance with the most recent Qualified Allocation Plan.

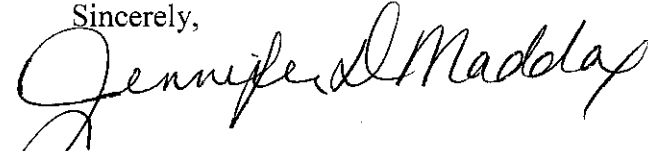
Closing and funding of the HIF loan will be conditioned upon the fulfillment of all terms and conditions of the Conditional Funding Reservation and upon satisfactory submission of all documents required by a loan closing agenda to be prepared by DHCD's special counsel for this loan.

Funding for the HIF loan is also conditioned upon release of funds for the HIF Program to DHCD by the Executive Office of Administration and Finance. This HIF loan is included in the Commonwealth's Capital Plan, with the exact amount of the loan approved for a specific fiscal year. This HIF loan can only be disbursed in accordance with the currently approved Capital Plan. Any changes in the loan amount or the timing of its disbursement may require a change in the Capital Plan, and will be subject to approval by DHCD and the Executive Office of Administration and Finance. In the event that changes may be proposed, please contact your CEDAC project manager immediately.

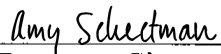
Again, the project must proceed to a full financial closing by November 15, 2020 or this Conditional Funding Reservation will expire and may not renew. If you realize that you will not be able to meet all the requirements within this time, please notify Bronia Clifton, Supportive Housing and Special Projects Manager at 617-573-1305. Closing and funding of the HIF loan will be conditional upon the fulfillment of this Conditional Funding Reservation and upon the satisfactory submission of all documents required by a loan closing agenda to be prepared by DHCD's special counsel for this loan. Please note that DHCD uses MassDocs loan documents. These documents are intended to be template documents to be employed "as is" with the exception of project specific provisions. Sample MassDocs may be reviewed at www.massdocs.com.

I congratulate you on receiving this Conditional Funding Reservation from the HIF Program and I look forward to seeing the Project move towards completion.

Sincerely,

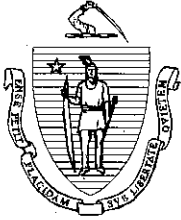

Jennifer D. Maddox
Undersecretary

This Conditional Funding Reservation shall be deemed accepted when it has been signed and a copy returned to DHCD.

DocuSigned by:
 Amy Schectman
Borrower Signature

Date: 3/26/2020

cc: Roger Herzog, CEDAC
State Representative Kay Khan
State Senator Cynthia Creem
Congressman Joseph Kennedy III
U.S. Senator Edward Markey
U.S. Senator Elizabeth Warren



Commonwealth of Massachusetts
**DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT**

Charles D. Baker, Governor ♦ Karyn E. Polito, Lt. Governor ♦ Jennifer D. Maddox, Undersecretary

March 2, 2020

Lizbeth Heyer
Chief of Real Estate and Innovations
2Life Development Inc.
30 Wallingford Road
Boston, MA 02135

RE: Golda Meir House, Newton (the "Project")

Dear Ms. Heyer:

On behalf of the Baker Polito Administration, I am pleased to inform you that funds in the amount of \$500,000 from the Housing Stabilization Fund ("HSF") have been conditionally reserved by the Department of Housing and Community Development ("DHCD") for a permanent mortgage loan for the Project, subject to the terms stated herein. If all the requirements of this Conditional Funding Reservation and a state comptroller's Standard Contract for HSF projects are satisfied, the HSF loan will be made to the Project's borrower/owner, 2Life Golda Expansion LLC.

This Conditional Funding Reservation is issued pursuant to and in reliance on your funding application submitted to DHCD on October 31, 2019. The project must proceed to a full financial closing no later than November 15, 2020 or this Conditional Funding Reservation will expire and may not be renewed by DHCD. The Conditional Funding Reservation is also based upon your agreement that the Project will consist of 68 units of rental housing, 50 of which will be HSF-assisted. Thirty (30) HSF-assisted units will be reserved for 50 years for individuals and families whose incomes are no higher than 60% of area median income and twenty (20) HSF-assisted units will be reserved for 50 years individuals and families whose incomes are no higher than 30% of area median income (the "Eligible Use"). To accomplish this goal, the loan documents will contain appropriate restrictions on the use of the Project.

The loan term will be 50 years. The term may be extended under certain conditions with the approval of DHCD. The loan may be without interest or an interest rate acceptable to DHCD which will be determined prior to closing. Typically, there will be one payment due at maturity, in an amount (subject to adjustment for costs, penalties, and other charges under the terms of the loan documents) representing the entire balance of the loan. However, DHCD reserves the right to require repayment of the HSF loan out of cash flow if DHCD deems there is or may be at some point in the future adequate cash flow to do so.

As collateral for the loan, DHCD will take a mortgage and security agreement on the real property included in the Project. The priority position of the HSF mortgage will be determined at the time of execution of a HSF Standard Contract. A change in ownership of the Project or in the legal form of the owner of the Project, the placing of additional encumbrances on the Project without the prior written consent of DHCD, failure to maintain the Eligible Use for the Project, or default under senior mortgage loans, shall be among the events of default under the HSF loan.

This Conditional Funding Reservation will result in the execution of a HSF Standard Contract for the Project, provided that the Developer meets the following general conditions to the satisfaction of DHCD by November 15, 2020:

1. submission to and approval by DHCD of the following:
 - a. updated One-Stop: With the issuance of this award, DHCD will not permit an increase in the total developer fee, overhead, and consulting costs from the calculation submitted and approved in the One Stop Application, if additional project sources become available, DHCD may reduce its award;
 - b. evidence of firm commitment for construction and/or permanent mortgage financing from those entities and in those amounts shown on the development pro forma, and on such terms as are acceptable to DHCD;
 - c. detailed time lines for the rehabilitation of the Project, including construction completion date, funding schedule, and move-in date;
 - d. documentation of the bid process, contractor selection process, and plan for monitoring of rehabilitation;
 - e. documentation that the general contractor is bonded or, if the general contractor is unable to meet this requirement, at DHCD's discretion the general contractor will be required to obtain a Letter of Credit for a minimum of 15% of the construction contract;
 - f. documentation of plans for meeting applicable state and federal requirements regarding Section 3, Minority and Women-Owned Business Enterprises, Davis-Bacon, Environmental Review, Uniform Relocation Act, and conflict of interest;
 - g. documentation that all contractors/subcontractors have been screened to confirm that they are not debarred or ineligible to work on a project;
2. submission of an instrument satisfactory to DHCD which indicates that by the date of the HSF loan closing, the Developer will have clear title to the Project, quality of title to be satisfactory to DHCD's counsel;
3. submission to and approval by DHCD of a final construction budget with bid prices from the selected general contractor;
4. submission of satisfactory evidence that all other legal, design, regulatory and environmental requirements for the Project are fulfilled and approvals obtained and all site surveys required for the Project are obtained;

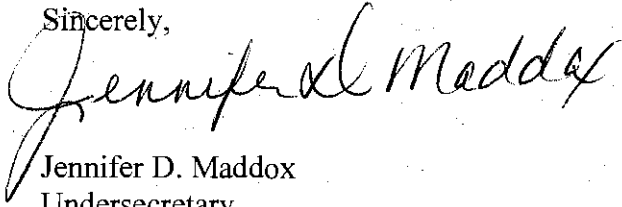
5. submission of and approval by DHCD of the project's service plan and evidence of a satisfactory funding commitment for the services, as applicable;
6. submission of final plans and specifications satisfactory to DHCD and in accordance with the current QAP including evidence:
 - a. that high speed internet access will be provided in all units;
 - b. that the final plans and specifications meet or exceed Energy Star standards and incorporate the sustainable design features pledged in the One Stop application dated October 31, 2019, i.e. Appendix H;
 - c. that the building will meet federal and state requirements for accessibility;
7. submission of a Fair Housing narrative describing how the marketing, tenant selection, and other applicable policies and procedures will incorporate the Department's Fair Housing principles;
8. submission of satisfactory evidence that all other legal, design, regulatory and environmental requirements for the Project are fulfilled and approvals obtained and all site surveys required for the Project are obtained;
9. submission to and approval by DHCD of proposed signage and press release material for groundbreakings, ribbon cuttings, etc., clearly referencing DHCD's financial support of the project;
10. please note that DHCD uses MassDocs loan documents. These documents are intended to be template documents to be employed "as is" with the exception of project specific provisions. Sample MassDocs may be reviewed at www.massdocs.com; and
11. upon completion of the development, any cost savings from the original development budget may be paid per the forthcoming MassDocs loan documents. At the option of DHCD, the savings may be held as a capital reserve for the development.

Closing and funding of the HSF loan will be conditional upon the fulfillment of all terms and conditions of the Conditional Funding Reservation and the HSF Standard Contract and upon satisfactory submission of all documents required by a loan closing agenda to be prepared by DHCD's special counsel for this loan. Funding of the Housing Stabilization Fund loan is also conditional upon the continued availability of state bond funds and release of funds by the Executive Office of Administration and Finance for the Housing Stabilization Fund. The HSF Loan can only be disbursed in accordance with a Capital Plan that has been approved by Executive Office of Administration and Finance for each fiscal years funding. The state fiscal year for the project's HSF funds will be confirmed during the loan closing process. Any changes in the loan amount or the timing of its disbursement may require a change in the Capital Plan, and will be subject to approval of DHCD and the Executive Office of Administration and Finance. In the event that changes may be proposed, please contact DHCD immediately.

This Conditional Funding Reservation will be in effect until November 15, 2020 and the Housing Stabilization Fund loan for the project may close no later than that date. If you become aware that the Project will not be able to meet all requirements for closing by that date, you should immediately contact Bill Cole, HSF Program Director, at 617.573.1303.

I congratulate you on receiving this Conditional Funding Reservation from the HSF Program and on your commitment to creating housing opportunities for low-income individuals and families. I look forward to seeing the project move toward completion.

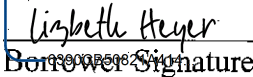
Sincerely,



Jennifer D. Maddox
Undersecretary

This award letter shall be deemed accepted when it has been signed and a copy returned to DHCD.

DocuSigned by:



Borrower Signature

4/27/2020

Date

cc: U.S. Senator Elizabeth A. Warren
U.S. Senator Edward J. Markey
Congressman Joseph P. Kennedy III
State Senator Cynthia Stone Creem
State Representative Kay Khan

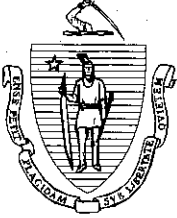
Additional Project Conditions
Golda Meir House/Newton (the "Project")

Based on the DHCD funding sources awarded to the Project, Golda Meir House is subject to various federal and/or state requirements, including, but not limited to:

- Conformance with all HOME Rule requirements, including updates to the Final Rule, as published July 24, 2013, and per ongoing related HUD guidance
- Uniform Relocation Assistance Act (24 CFR Part 49) & 104 (d) (24 CFR Part 42)
- Massachusetts Relocation Act (M.G.L. c.79A and 760 CMR 27.00)
(<http://www.mass.gov/hed/community/planning/relocation-assistance-bor.html>)
- HUD Environmental Review (24 CFR Part 58 and related laws,
<http://www.gpo.gov/fdsys/pkg/CFR-2004-title24-vol1/pdf/CFR-2004-title24-vol1-part58.pdf>)
(http://portal.hud.gov/portal/HUD?src=/program_offices/comm_planning/environment/review)
- Massachusetts Historic Commission approval (950 CMR 71.00)
- Davis Bacon Wages (Davis-Bacon and Related Acts (40 USC 276(A)-7))
- Section 3 of the Housing & Urban Development Act of 1968
- MBE/WBE hiring goals
- Subsidy Layering Review
- Section 504 of the Rehabilitation Act of 1973
- Massachusetts Architectural Access Board Guidelines (M.G.L. c. 22 and 521 CMR)
- Americans with Disabilities Act (ADA) (42 U.S.C. 12131; 47 U.S.C. 155, 201, 218, 225)
- Affirmative Marketing (<http://www.mass.gov/hed/docs/dhcd/hd/fair/afhmp.pdf>)
- Nondiscrimination and Equal Opportunity
- Federal Lead-Based paint laws (various; see 24 CFR Part 92.355)
- Massachusetts Lead-Based paint laws (various, including 105 CMR 460.000 and 454 CMR 22.00)

The Project may be subject to additional requirements not indicated above, based on non-DHCD funding sources. Please check with all your funders to determine applicability of federal and state requirements.

If you believe that your project is not subject to any of the requirements indicated above, or if you have questions about these requirements, please contact Bill Cole at 617.573.1303.



Commonwealth of Massachusetts
**DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT**

Charles D. Baker, Governor ♦ Karyn E. Polito, Lt. Governor ♦ Jennifer D. Maddox, Undersecretary

March 2, 2020

Lizbeth Heyer
Chief of Real Estate and Innovations
2Life Development Inc.
30 Wallingford Road
Boston, MA 02135

RE: Golda Meir House, Newton (the "Project")

Dear Ms. Heyer:

On behalf of the Baker Polito Administration, I am pleased to inform you that funds in the amount of \$1,000,000 from the Non-Federal Investment Trust ("NFIT") Fund have been conditionally reserved by the Department of Housing and Community Development ("DHCD") for a permanent mortgage loan for the Project, subject to the terms stated herein. If all the requirements of this Conditional Funding Reservation and a state comptroller's Standard Contract for NFIT projects are satisfied, the NFIT loan will be made to the Project's borrower/owner, 2Life Golda Expansion LLC.

This Conditional Funding Reservation is issued pursuant to and in reliance on your funding application submitted to DHCD on October 31, 2019. The project must proceed to a full financial closing no later than November 15, 2020, or this Conditional Funding Reservation will expire and may not be renewed by DHCD. The Conditional Funding Reservation is also based upon your agreement that the Project will consist of sixty-eight (68) units of rental housing, fifty (50) of which will be NFIT-assisted. Thirty (30) NFIT-assisted units will be reserved for 30 years for individuals and families whose incomes are no higher than 60% of area median and twenty (20) NFIT-assisted units will be reserved for individuals and families whose incomes are no higher than 30% of area median (the "Eligible Use"). To accomplish this goal, the loan documents will contain appropriate restrictions on the use of the Project.

The loan term will be 30 years. The term may be extended under certain conditions with the approval of DHCD. The loan may be without interest or an interest rate acceptable to DHCD which will be determined prior to closing. Typically, there will be one payment due at maturity, in an amount (subject to adjustment for costs, penalties, and other charges under the terms of the loan documents) representing the entire balance of the loan. However, DHCD reserves the right to require repayment of the NFIT loan out of cash flow if DHCD deems there is or may be at some point in the future adequate cash flow to do so.

As collateral for the loan, DHCD will take a mortgage and security agreement on the real property included in the Project. The priority position of the NFIT mortgage will be determined at the time of execution of a NFIT Standard Contract. A change in ownership of the Project or in the legal form of the owner of the Project, the placing of additional encumbrances on the Project without the prior written consent of DHCD, failure to maintain the Eligible Use for the Project, or default under senior mortgage loans, shall be among the events of default under the NFIT loan.

This Conditional Funding Reservation will result in the execution of a NFIT Standard Contract for the Project, provided that the Developer meets the following general conditions to the satisfaction of DHCD by November 15, 2020:

1. submission to and approval by DHCD of the following:
 - a. updated One-Stop: With the issuance of this award, DHCD will not permit an increase in the total developer fee, overhead, and consulting costs from the calculation submitted and approved in the One Stop Application, if additional project sources become available, DHCD may reduce its award;
 - b. evidence of firm commitment for construction and/or permanent mortgage financing from those entities and in those amounts shown on the development pro forma, and on such terms as are acceptable to DHCD;
 - c. detailed time lines for the rehabilitation of the Project, including construction completion date, funding schedule, and move-in date;
 - d. documentation of the bid process, contractor selection process, and plan for monitoring of rehabilitation;
 - e. documentation that the general contractor is bonded or, if the general contractor is unable to meet this requirement, at DHCD's discretion the general contractor will be required to obtain a Letter of Credit for a minimum of 15% of the construction contract;
 - f. documentation of plans for meeting applicable state and federal requirements regarding Section 3, Minority and Women-Owned Business Enterprises, Davis-Bacon, Environmental Review, Uniform Relocation Act, and conflict of interest;
 - g. documentation that all contractors/subcontractors have been screened to confirm that they are not debarred or ineligible to work on a project;
2. submission of an instrument satisfactory to DHCD which indicates that by the date of the NFIT loan closing, the Developer will have clear title to the Project, quality of title to be satisfactory to DHCD's counsel;
3. submission to and approval by DHCD of a final construction budget with bid prices from the selected general contractor;
4. submission of satisfactory evidence that all other legal, design, regulatory and environmental requirements for the Project are fulfilled and approvals obtained and all site surveys required for the Project are obtained;

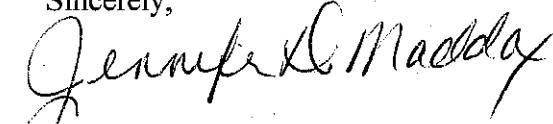
5. submission of and approval by DHCD of the project's service plan and evidence of a satisfactory funding commitment for the services, as applicable;
6. submission of final plans and specifications satisfactory to DHCD and in accordance with the current QAP including evidence:
 - a. that high speed internet access will be provided in all units;
 - b. that the final plans and specifications meet or exceed Energy Star standards and incorporate the sustainable design features pledged in the One Stop application dated October 31, 2019, i.e. Appendix H;
 - c. that the building will meet federal and state requirements for accessibility;
7. submission of a Fair Housing narrative describing how the marketing, tenant selection, and other applicable policies and procedures will incorporate the Department's Fair Housing principles;
8. submission of satisfactory evidence that all other legal, design, regulatory and environmental requirements for the Project are fulfilled and approvals obtained and all site surveys required for the Project are obtained;
9. submission to and approval by DHCD of proposed signage and press release material for groundbreakings, ribbon cuttings, etc., clearly referencing DHCD's financial support of the project;
10. please note that DHCD uses MassDocs loan documents. These documents are intended to be template documents to be employed "as is" with the exception of project specific provisions. Sample MassDocs may be reviewed at www.massdocs.com; and
11. upon completion of the development, any cost savings from the original development budget may be paid per the forthcoming MassDocs loan documents.

Closing and funding of the NFIT loan will be conditional upon the fulfillment of all terms and conditions of the Conditional Funding Reservation and the NFIT Standard Contract and upon satisfactory submission of all documents required by a loan closing agenda to be prepared by DHCD's special counsel for this loan.

This Conditional Funding Reservation will be in effect until November 15, 2020 and the Non-Federal Investment Trust loan for the project may close no later than that date. If you become aware that the Project will not be able to meet all requirements for closing by that date, you should immediately contact Rebecca Frawley Wachtel at (617) 573-1318.

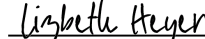
I congratulate you on receiving this Conditional Funding Reservation from the NFIT Program and on your commitment to creating housing opportunities for low-income individuals and families. I look forward to seeing the project move toward completion.

Sincerely,


Jennifer D. Maddox
Undersecretary

This award letter shall be deemed accepted when it has been signed and a copy returned to DHCD.

DocuSigned by:


Borrower Signature

4/27/2020

Date

cc: U.S. Senator Elizabeth A. Warren
U.S. Senator Edward J. Markey
Congressman Joseph P. Kennedy III
State Senator Cynthia Stone Creem
State Representative Kay Khan



Commonwealth of Massachusetts
**DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT**

Charles D. Baker, Governor ♦ Karyn E. Polito, Lt. Governor ♦ Jennifer D. Maddox, Undersecretary

March 2, 2020

Lizbeth Heyer
Chief of Real Estate and Innovations
2Life Development Inc.
30 Wallingford Road
Boston, MA 02135

RE: Golda Meir House, Newton (the "Project")

Dear Ms. Heyer:

On behalf of the Baker Polito Administration, I am pleased to inform you that funds in the amount of \$500,000 from the HOME Investment Partnerships Program ("HOME") have been contingently reserved by the Department of Housing and Community Development ("DHCD") for a permanent mortgage loan for the Project, subject to the terms stated herein. If all the requirements of this Conditional Funding Reservation and a state comptroller's Standard Contract for HOME projects are satisfied, the HOME loan will be made to the Project's borrower/owner, 2Life Golda Expansion LLC.

This Conditional Funding Reservation is issued pursuant to and in reliance on your funding application submitted to DHCD on October 31, 2019. The project must proceed to a full financial closing by November 15, 2020 or this Conditional Funding Reservation will expire and may not be renewed by DHCD. The Conditional Funding Reservation is based upon your agreement that the Project will consist of sixty-eight (68) units of rental housing, eleven (11) of which will be HOME-assisted, which will be reserved for 30 years for individuals and families whose incomes are no higher than 50% of area median for not less than 20% of the units, and no higher than 60% of area median for the remaining units (the "Eligible Use"). To accomplish this goal, the loan documents will contain appropriate restrictions on the use of the Project. All HOME units that also have project-based rental assistance will need to be classified as 'Low HOME' units in the HOME Standard Contract and relevant loan documents.

The loan term will be 30 years. The term may be extended under certain conditions with the approval of DHCD. Typically, the loan will carry an interest rate determined by the developer and DHCD. The interest rate may be the "applicable federal rate." Typically, there will be one payment due at maturity, in an amount (subject to adjustment for interest costs, penalties, and other charges under the terms of the loan documents) representing the entire balance of the loan. However, DHCD reserves the right to require repayment of the HOME loan out of cash flow if DHCD deems there is or may be at some point in the future adequate cash flow to do so.

As collateral for the loan, DHCD will take a mortgage and security agreement on the real property included in the Project. The priority position of the HOME mortgage will be determined at the time of execution of a HOME Standard Contract. A change in ownership of the Project or in the legal form of the owner of the Project, the placing of additional encumbrances on the Project without the prior written consent of DHCD; failure to maintain the Eligible Use for the Project, or default under senior mortgage loans, shall be among the events of default under the HOME loan.

This Conditional Funding Reservation will result in the execution of a HOME Standard Contract for the Project, provided that the Developer meets the following general conditions to the satisfaction of DHCD by November 15, 2020:

1. submission to and approval by DHCD of the following:
 - a. updated development and operating pro formas: With the issuance of this award, DHCD will not permit an increase in the total developer fee, overhead, and consulting costs (as calculated within HOME program guidelines), from the calculation submitted and approved in the One Stop Application, if additional project sources become available, DHCD may reduce its award;
 - b. evidence of firm commitment for construction and/or permanent mortgage financing from those entities and in those amounts shown on the development pro forma, and on such terms as are acceptable to DHCD;
 - c. detailed time lines for the construction of the Project, including construction completion date, funding schedule, and move-in date;
 - d. documentation of the bid process, contractor selection process, and plan for monitoring of construction;
 - e. documentation that the general contractor is bonded or, if the general contractor is unable to meet this requirement, at DHCD's discretion will be required to obtain a Letter of Credit for a minimum of 15% of the construction contract;
 - f. documentation of plans for meeting applicable state and federal requirements regarding Section 3, Minority and Women-Owned Business Enterprises, Davis-Bacon, Uniform Relocation Act, Violence Against Women Act (VAWA) and conflict of interest;
 - g. documentation to support DHCD's completion of the required HUD Environmental Review process, as the project cannot proceed with any choice-limiting actions until this process has been completed and HUD has issued its release of funds letter;
 - h. documentation that all members of the development team, including contractors and subcontractors have been screened to confirm that they are not debarred or ineligible to work on a project;
2. submission of a purchase and sale agreement or other instrument satisfactory to DHCD which indicates that by the date of the HOME loan closing, the Developer will have clear title to the Project, quality of title to be satisfactory to DHCD's counsel;


3. submission to and approval by DHCD of a final construction budget with bid prices from the selected general contractor;
4. submission of final plans and specifications satisfactory to DHCD including evidence:
 - a. that high speed internet access will be provided in all units; and
 - b. that the final plans and specifications meet or exceed Energy Star standards and incorporate the sustainable design features pledged in the One Stop application dated October 31, 2019;
5. submission of documentation that the building will meet federal and state requirements for accessibility;
6. submission of a Fair Housing narrative describing how the marketing, tenant selection, and other applicable policies and procedures will incorporate the Department's Fair Housing principles;
7. submission of satisfactory evidence that all other legal, design, regulatory and environmental requirements for the Project are fulfilled and approvals obtained and all site surveys required for the Project are obtained;
8. submission to and approval by DHCD of proposed signage and press release material for groundbreaking, ribbon cuttings, etc., clearly referencing DHCD's financial support of this project;
9. Please note that these DHCD HOME funds will be available no earlier than MA FY19;
10. Please note that DHCD uses MassDocs loan documents. These documents are intended to be template documents to be employed 'as is' with the exception of project specific provisions. Sample MassDocs may be reviewed at www.massdocs.com;
11. Upon completion of the development, any cost savings from the original budget for the development, including 100% of the unused soft cost contingency, shall be paid pro rata to the MassDocs Participating Lenders as a prepayment of their respective loan and/or grant. At the option of DHCD, the savings may be held as a capital reserve for the development.

Again, the project must proceed to a full financial closing by November 15, 2020 or this Conditional Funding Reservation will expire. If you become aware that the Project will not be able to meet all requirements for closing by that date, you should immediately contact Rebecca Frawley Wachtel, the HOME Program Director, at (617) 573-1318. Closing and funding of the HOME loan will be conditional upon the fulfillment of this Conditional Funding Reservation and the HOME Standard Contract and upon satisfactory submission of all documents required by a

loan closing agenda to be prepared by DHCD's special counsel for this loan. Funding of the HOME loan also is conditional upon the continued availability of federal funds and release of funds by the Executive Office of Administration and Finance for the HOME Program.

I congratulate you on receiving this Conditional Funding Reservation from the HOME Program and on your commitment to creating housing opportunities for low-income individuals and families. I look forward to seeing the project move toward completion.

Sincerely,


Jennifer D. Maddox
Undersecretary

cc: U.S. Senator Elizabeth A. Warren
U.S. Senator Edward J. Markey
Congressman Joseph P. Kennedy III
State Senator Cynthia Stone Creem
State Representative Kay Khan

This award letter shall be deemed accepted when it has been signed and a copy returned to DHCD.


Borrower Signature

3/11/20
Date

**Additional Project Conditions:
Golda Meir House, Newton (the "Project")**

Based on the DHCD funding sources awarded to the Project, Golda Meir House is subject to various federal and/or state requirements, including, but not limited to:

- Conformance with all HOME Rule requirements, including updates to the Final Rule, as published July 24, 2013, and per ongoing related HUD guidance
- Uniform Relocation Assistance Act (24 CFR Part 49) & 104 (d) (24 CFR Part 42)
- Massachusetts Relocation Act (M.G.L. c.79A and 760 CMR 27.00)
(<http://www.mass.gov/hed/community/planning/relocation-assistance-bor.html>)
- HUD Environmental Review (24 CFR Part 58 and related laws,
<http://www.gpo.gov/fdsys/pkg/CFR-2004-title24-vol1/pdf/CFR-2004-title24-vol1-part58.pdf>)
(http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/environment/review)
- Massachusetts Historic Commission approval (950 CMR 71.00)
- Davis Bacon Wages (Davis-Bacon and Related Acts (40 USC 276(A)-7)) (**N/A- 11 HOME Units**)
- Section 3 of the Housing & Urban Development Act of 1968
- MBE/WBE hiring goals
- The Violence Against Women Reauthorization Act of 2013 (VAWA)
- Subsidy Layering Review (Internal HOME SLR)
- Section 504 of the Rehabilitation Act of 1973
- Massachusetts Architectural Access Board Guidelines (M.G.L. c. 22 and 521 CMR)
- Americans with Disabilities Act (ADA) (42 U.S.C. 12131; 47 U.S.C. 155, 201, 218, 225)
- Affirmative Marketing (<http://www.mass.gov/hed/docs/dhcd/hd/fair/afhmp.pdf>)
- Equal Opportunity
- Federal Lead-Based paint laws (various; see 24 CFR Part 92.355)

- Massachusetts Lead-Based paint laws (various, including 105 CMR 460.000 and 454 CMR 22.00)

The Project may be subject to additional requirements not indicated above, based on non-DHCD funding sources. Please check with all your funders to determine applicability of federal and state requirements.

If you believe that your project is not subject to any of the requirements indicated above, or if you have questions about these requirements, please contact Rebecca Frawley Wachtel at 617-573-1318.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Multifamily Northeast Region
New York Regional Center
Jacob K. Javits Federal Building
26 Federal Plaza, Suite 3214
New York, NY 10278-0068

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

February 10, 2020

Ms. Zoe Weinrobe
Director of Real Estate Innovation
Jewish Community Housing for the Elderly III, Inc.
30 Wallingford Road
Brighton, MA 02135

SUBJECT: Section 202 Supportive Housing for the Elderly Award – Agreement Letter
Project Name: Golda Meir House Expansion
City and State: Newton, MA
HUD Project Underwriter: Vincent Willis
Award Acceptance Deadline: 02/21/2020

Dear Ms. Weinrobe:

I am pleased to advise you that your application submitted under the FY 2018 Section 202 Notice of Funding Availability (“NOFA”) to develop 25 dwelling units of housing for the elderly to be supported by a Project Rental Assistance Contract (“PRAC”) under the Section 202 Supportive Housing Program for the Elderly has been approved.

Capital Advance authority in the amount of \$4,000,000 has been obligated for this Project. In the coming months, HUD will also provide budget authority for the PRAC(s), which, in accordance with the NOFA, will be based on 75 percent (rather than on 100 percent) of the Operating Cost Standards applicable to Section 202 projects in the Project’s geographic area.

Pursuant to 31 USC § 1552(a), all FY 2017 funding must be expended by September 30, 2025 and all FY 2018 funding must be expended by September 30, 2026. Any funds that are not expended by the applicable dates stated in the previous herein will be cancelled and recaptured by the Treasury and thereafter will not be available for obligation or expenditure for any purpose.

The Multifamily Northeast Region consists of the New York Regional Center and the Baltimore and Boston Satellite Offices. Together, they serve Connecticut, Delaware, the District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, and West Virginia.

www.hud.gov

Project Name: Golda Meir House Expansion Project No: 023-EE267

By signature below, I am approving the obligation of funds for the subject project. Your acceptance of this Agreement constitutes a certification and agreement by the Sponsor/Owner to the attached terms and conditions.

Brett W. Wise
Digitally signed by: Brett W. Wise
Date: 2020.02.10 12:50:06 -05'00'

Brett W. Wise Date 2/10/20
Director, Multifamily Northeast Region

TERMS AND CONDITIONS

This Agreement is subject to:

- ARTICLE I..... General Program Requirements**
- ARTICLE II..... Ownership Entity**
- ARTICLE III..... Environmental Review**
- ARTICLE IV..... Delegated Processing**
- ARTICLE V..... Energy and Water Conservation**
- ARTICLE VI..... Conflict of Interest**
- ARTICLE VII..... Milestones and Deliverable**
- ARTICLE VIII..... Project Funds**
- ARTICLE IX..... Fair Housing**
- ARTICLE X..... Federal Compliance**
- ARTICLE XI..... Reporting Requirements**
- ARTICLE XII..... Point of Contact**
- ARTICLE XIII..... Enclosures**
- ARTICLE XIV..... Award Acceptance**

Your acceptance of this Agreement constitutes a certification and agreement by the Sponsor/Owner to the following terms and conditions:

ARTICLE I. General Program Requirements

- A. There will not be any sale, assignment, conveyance, or any other form of transfer of this Agreement, funding, the property or project, or any interest therein, except for a transfer from the Sponsor to an approved single-purpose Owner organized by it.
- B. The Section 202 Capital Advance funds available for the project identified herein may not be used in connection with any other Project.
- C. HUD will **not** amend the amounts approved herein for this project. **Therefore, based on HUD's review of the Firm Commitment Application, the Sponsor will be liable for the cost of any front-end cash requirement should the cost to develop the project exceed the amount specified in this Agreement.**
- D. *If the Project site is subject to a leasehold, the lease must conform to the wording of the Lease Addendum – Section 202 as contained in Appendix 14 of the Section 202 Handbook 4571.5. If approved, by this office, the terms of the Lease Addendum may be varied only to conform to the law of the jurisdiction in which the Project is located.*
- E. **Design and Cost Standards.** You must comply with HUD's Section 202 Design and Cost Standards (24 CFR, Parts 891.120 and 891.210); Site and Neighborhood Standards of the regulations governing the Section 202 Supportive Housing for the Elderly program (24 CFR, Part 891.125(b); and (c)), Section 504 of the Rehabilitation Act of 1973 and HUD's implementing regulations at 24 CFR, Part 8, the Fair Housing Act and its implementing regulations at 24 CFR, Part 100, and where applicable, the Americans with Disabilities Act. You may receive helpful information with respect to the Fair Housing Act design and construction requirements on Fair Housing Accessibility FIRST's website at www.fairhousingfirst.org.
- F. You must undertake activities to create jobs and further local economic development, particularly for low-income populations and communities. Activities must be more comprehensive than those required to meet HUD's Section 3 "local hire" requirements. You are expected to undertake activities that focus on access to skills training and partnership with community-based organizations that will develop pathways to long-term career ladders for the target population.
- G. All other applicable Federal requirements, including but not limited to, those set forth in HUD's Fiscal Year 2017 and 2018 NOFA, General Section to HUD's FY 2017 and 2018 NOFAs for Discretionary Programs posted on www.Grants.gov.
- H. Project-Specific Requirements: None

ARTICLE II. Ownership Entity

- A. The formation of a legally acceptable single-entity Owner corporation within **30 days** from the date of this Agreement is required.

B. An attempt must be made to obtain exemption from State and/or local real and/or personal property taxes. Evidence of filing, together with the response received from the taxing authority, must be submitted with the Application for Firm Commitment in one of the following forms:

1. Tax exemption;
2. Payment in Lieu of Taxes ("PILOT");
3. Tax abatement; and
4. Ineligibility for any tax relief

Evidence of Eligibility for (1), (2), or (3) must be submitted with the Application for Firm Commitment.

C. Capitalization of the Owner corporation, in a sufficient amount to permit the Owner to meet its obligations, in connection with the project is required. This includes the minimum capital investment, start-up costs, excess land costs, ineligible amenities, excessive construction costs and any other funds the Sponsor specifically commits to the project.

D. At the time the Application for Firm Commitment is submitted, evidence that the site is under the **Owner's control** must be provided.

E. Credit investigation clearance of the Owner's officers is required.

F. In accordance with Federal Regulation 5350: I-01 Conforming Changes to Applicant Submission Requirements; Implementing Federal Financial Report and Central Contractor Registration Requirements, Owners are required to register in the Central Contractor Registry before funds can be disbursed.

ARTICLE III. Environmental Review

A. Section 202 Fund Reservation award constitutes preliminary approval of your site. Site approval will not occur until HUD completes its environmental review and finds the site environmentally acceptable. HUD will complete its environmental review prior to issuance of the Firm Commitment.

B. Compliance with Environmental Assurance. You agree to assist HUD with its compliance with environmental review regulations in 24 CFR, Part 50 and you will be required to:

1. Provide environmental reports to the HUD electronic system known as HUD Environmental Review Online System ("HEROS") as necessary for HUD to perform for each property any environmental review required by 24 CFR, Part 50. It is recommended that the professionals have prior HUD experience. The environmental professional preparing the Phase I ESA must meet all of the qualifications and license/certifications, education, and experience requirements of Appendix X2 of ASTM E 1527-13. When a Phase II study is conducted, the "Phase II Assessor" must

meet all of the qualification requirements of Section 3.1.33 of ASTM E 1903-11. Professionals may be required to evaluate technical areas, such as lead-based paint, asbestos, radon, noise, wetlands, flooding, historic preservation or soil stability conditions and should meet professional standards and/or certifications in their respective fields, e.g., 36 CFR, Part 61 standards for historic preservation;

2. Carry out mitigating measures required by HUD; and
 3. Not acquire, rehabilitate, demolish, convert, enter into or close a leasehold agreement (you can continue to perform obligations to sustain an existing leasehold or option to lease agreement), repair or construct property, nor commit or expend HUD or local funds for these program activities with respect to any eligible property, from the time the Application is submitted until HUD approval of the site is received.
- C. **Environmentally Unacceptable Sites.** *If upon completion of HUD's environmental review, the site is found acceptable but only with mitigation and the Owner/Sponsor cannot meet the mitigation requirements, or if HUD determines that even with mitigation, the site is unacceptable, the Section 202 Fund Reservation award will be withdrawn.*

ARTICLE IV. Delegated Processing

- A. Pursuant to Section 2835(b) of the Housing and Economic Recovery Act of 2008, HUD is required to delegate the review and processing of certain Section 202 Supportive Housing for the Elderly projects to selected State or local housing agencies. Delegated processing **can only be used** where the Sponsor's Application, in response to a NOFA indicates that development funds for a proposed Section 202 project will be provided by a combination of capital advance funding and any other source of funding exclusive of the Sponsor's financial contribution.
- B. Within 30 calendar days of the date you sign the Agreement; HUD shall delegate review and processing to a State or local housing agency, as appropriate. However, HUD retains the authority to process projects where no State or local housing agency has applied to provide delegated processing or entered into an agreement with the Secretary to serve as a delegated processing agency. Complete information regarding the delegated processing procedures will be available in a forthcoming Notice.

ARTICLE V. Energy and Water Conservation

At a minimum, energy efficiency strategies and water conservation appliances and fixtures must be incorporated in the design, construction, and operation of all new construction and substantial (gut) rehabilitation projects.

Energy Efficiency. Owners of new construction and substantial rehabilitation low-rise (up to 3 stories) multifamily developments **must** meet the requirements of EPA's ENERGY STAR Qualified Homes. Mid-Rise & High-Rise developments (4 or more stories) must meet the ASHRAE 90.1 Appendix G Plus 15 percent standard for Energy Efficiency. Any state energy

code requirements will take precedence over ENERGY STAR or ASHRAE specifications when the state code approximates or exceeds that standard.

- A. **Water Conservation Fixtures.** Installation of water-conserving fixtures is required in all new and substantially rehabilitated developments (i.e. resource efficient plumbing and appliances such as low flow showerheads and faucet and high efficiency toilets). The materials used must be WaterSense or a greater water efficiency product. More information is available at www.epa.gov/watersense.
- B. **Owners of Existing Developments that do not qualify as new construction or substantial (gut) rehabilitation** must perform pre- and post-construction energy audits and incorporate conservation techniques in their Projects. Owners of existing developments must also commit to future installation of WaterSense fixtures and ENERGY STAR appliances in the Project's required Operations and Maintenance plan.
- C. **Operations and Maintenance ("O&M").** All Owners must develop an O&M manual that will address: a routine maintenance plan; operations and maintenance guidance for all appliances, HVAC operation, lighting equipment, paving materials and landscaping, pest control, and other systems that are part of each occupancy unit; an occupancy turnover plan that describes in detail the process of educating the tenant about proper use and maintenance of all building systems; and staff training needed to maintain the energy improvements and continue green building practices for the future. All O&M plans must commit to future installation of water-conserving fixtures and ENERGY STAR appliances. (O&M manual templates are available for use and customization on the Enterprise Green Communities website at www.enterprisecommunity.org/solutions-and-innovation/green-communities).

ARTICLE VI. Conflict of Interest

- A. This Agreement and fund reservation will be subject to cancellation, at HUD's option, in the event there comes into existence or HUD becomes aware of a pre-existing conflict of interest involving the Project on the part of its officers or directors of either the Sponsor or Owner organization (including affiliates).
- B. The Sponsor and Owner must submit Conflict of Interest and Disclosure Certifications for each officer and director of both the Sponsor and Owner and Identity of Interest and Disclosure Certifications for all development team members.

NOTE: When a new development team member is added or changed, an Identity of Interest Certification must be submitted. Likewise, at any time the Sponsor or Owner changes any officers or directors, a Conflict of Interest and Disclosure Certification must be submitted for the new person(s).

ARTICLE VII. Milestones and Deliverable

Unless explicitly approved, the Owner must meet the following milestones in order to retain its award:

- A. Return two copies of this Agreement indicating acceptance **within 14 calendar days** of the date of this Agreement,
- B. Commence construction, rehabilitation or acquisition **within 18 months** from the date of this Agreement, unless limited extensions are approved by HUD. Such extensions will be based upon HUD's determination that the Owner has established a reasonable schedule and is making sufficient progress toward the start of construction. **The Agreement and fund reservation will be canceled if construction, rehabilitation or acquisition has not commenced within 18 months from the date of this Agreement, unless limited extensions are approved by HUD.**

In order to maintain on track with this schedule, HUD recommends:

- A. Submission of the land appraisal within **30 calendar days** from the date of this Agreement.
- B. Submission of Form HUD-2530, Previous Participation Certification through the Active Partners Performance System ("APPS") for all officers and directors of the Owner's board within **90 calendar days**. There must be subsequent clearance thereof.
- C. Submission of an Application for Firm Commitment in full compliance with HUD's design and cost standards and programmatic requirements within **180 calendar days** from the date of this Agreement. The design and cost standards apply to all projects regardless of the proposed operating cost level. The design must not include any prohibited features and must be cost efficient.

ARTICLE VIII. Project Funds

- A. Drawdown of Capital Advance through eLOCCS. After the formation of the Ownership entity, you are required to establish an electronic Line of Credit Control System ("eLOCCS") account by completing form HUD-27054, eLOCCS Access Authorization Request.
 - The LOCCS Program Area Code "CAH"
 - The three-digit program number is "105"
- B. Instructions. eLOCCS Instructions can be obtained from the following website www.hud.gov/program_offices/cfo/loccs_guidelines
- C. You, as the Sponsor, and the Owner, when formed, are subject to the provisions of Section 319 of Public Law 101-121 (approved October 23, 1989) (31 U.S.C. 1352) (the Byrd Amendment), which prohibits recipients of federal contracts, grants, or loans from using appropriated funds for lobbying the executive or legislative branches of the federal

government in connection with a specific contract, grant, or loan. In addition, the Owner, when formed, must disclose, using Standard Form LLL "Disclosure of Lobbying Activities," any funds, other than federally appropriated funds, that will be or have been used to influence federal employees, Members of Congress, and congressional staff regarding specific grants or contracts.

ARTICLE IX. Fair Housing

- A. Affirmatively Furthering Fair Housing ("AFFH"). Section 808(e)(5) of the Fair Housing Act imposes a duty on HUD to affirmatively further the purposes of the Fair Housing Act. Accordingly, you are required to take affirmative steps to further fair housing.
- B. Affirmative Fair Housing Marketing Plan ("AFHMP"). You must develop an AFHMP that will reach those applicants that are least likely to apply to your Project to promote diversity.
- C. Limited English Proficiency. You are required to take reasonable steps to provide meaningful access to persons with Limited English Proficiency ("LEP"). As part of your duty to affirmatively further fair housing, you should take proactive measures to inform eligible LEP persons of the housing, related activities and available language assistance.

ARTICLE X. Federal Compliance

- A. You are required to provide a drug-free workplace. Please see HUD Handbook 4571 Chapter 1.
- B. In accordance with 24 CFR, Part 24, no award of federal funds may be made to applicants that are presently debarred or suspended, or proposed to be debarred or suspended, from doing business with the federal government. This requirement applies not only to you, as the Sponsor, and the Owner, when formed, but also to all lower tier covered transactions and to all solicitations for lower tier covered transactions. The prohibition includes the following:
 - 1. Having principals who, within the previous three years, have been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction, violation of federal or state anti-trust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property; and
 - 2. Charges or indictments against the Sponsor, Owner and their principals by a governmental entity (federal, state and local) for commission of any of the above violations within the previous three years.
- C. You must comply with the labor standards provisions at 24 CFR 891.155(d). These include Davis-Bacon prevailing wage and reporting requirements and the overtime

provisions of the Contract Work Hours and Safety Standards Act.

ARTICLE XI. Reporting Requirements

- A. For the purpose of determining your compliance with the requirements of Section 3, you must submit form HUD-60002, Section 3 Summary Report, through the Section 3 Performance Evaluation and Reporting System ("SPEARS"). Instructions for Use of SPEARS can be found at www.hud.gov/sites/documents/1560002INSTRUCTIONS.PDF. Form HUD-60002 shall be submitted to HUD annually, no later than January 10th or the 10th day after Project completion, whichever is earlier. Section 3 regulations can be found at 24 CFR, Part 135, subpart E).
- B. The Regulatory Agreement (Form HUD-92466-CA) requires the Owner to submit an annual financial statement for the Project. This financial statement must be audited by an Independent Public Accountant who is a Certified Public Accountant or other person accepted by HUD and filed electronically with HUD's Real Estate Assessment Center ("REAC") through the Financial Assessment Subsystem for Multifamily Housing (MF-FASS). The submission of annual financial statements is required throughout the 40-year term of the mortgage.
- C. You are required to meet the requirements of the Federal Financial Assistance Accountability and Transparency Act of 2006, as amended. As a recipient of HUD funds, you are required to report subawards made either as pass-through awards, subrecipient awards, or vendor awards. To learn more about this requirement visit www.fsrs.gov.

ARTICLE XII. Point of Contact

If you have any questions regarding the requirements for submission of the Application for Firm Commitment and to obtain information about your required attendance at the Office's Project Planning Conference, please contact the assigned HUD Underwriter, Vincent Willis at (212) 542-7762 or Vincent.Willis@hud.gov. If you have further questions you can contact Stacey Ashmore, Production Division Director at (212) 542-7840 or Stacey.I.Ashmore@hud.gov.

ARTICLE XIII. Enclosures

HUD has revised some of the handbook (4571.5) procedures applicable to the submission, review and processing of Section 202 Applications for Firm Commitment through Final Closing. Please see Notice H 2011-18, Updated Processing Guidance for the Section 202 Supportive Housing for the Elderly and Section 811 Supportive Housing for Persons with Disabilities Programs (www.hud.gov/sites/documents/11-18HSGN.PDF) as well as a copy of Notice H 96-102, Redesigned Section 202 Supportive Housing for the Elderly and Section 811 Supportive Housing for Persons with Disabilities Programs - Firm Commitment Processing to Final Closing (www.hud.gov/sites/documents/96-102hsgn.doc). Please read the Notices very carefully because

Project Name: Golda Meir House Expansion Project No:023-EE267

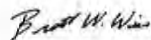
the revised procedures will affect not only your Project funding but also your responsibilities for project completion. If you have specific questions regarding the processing of this award, please contact the assigned HUD Underwriter.

ARTICLE XIV. Award Acceptance

Section 202 Capital Advance Funds and PRAC funds have been obligated for your Project, however the availability of these funds is contingent on you executing this Agreement no later than the **Award Acceptance Deadline shown above on Page 1**. By accepting this award and returning a signed copy of this Agreement to this HUD Office, you hereby certify that you will comply with all governing program requirements and statutes. Your acceptance also constitutes a certification and agreement of the terms and conditions detailed in this Agreement.

We look forward to working with you toward the successful completion of this Project.

Sincerely,



Digitally signed by:
Brett W. Wise
Date: 2020.02.10 13:
53:48 -05'00'

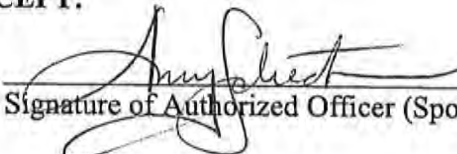
Brett W. Wise
Director,
Multifamily Northeast Region

Enclosure

Project Name: Golda Meir House Expansion Project No: 023-EE267

Please indicate by signing in the space provided whether or not you accept this Agreement including the special conditions or requirements that are specified herein, and certify to your understanding that the project must be developed in accordance with the terms set forth in this Agreement. **Return by Certified Mail - Return Receipt Requested, two signed copies of this Agreement, along with the resume for the consultant (if a consultant has been or will be used) to this Office within 14 days from the date of this letter.**

ACCEPT:

	PRESIDENT	2/19/2020
Signature of Authorized Officer (Sponsor)	Title	Date

Signature of Authorized Officer (Co-Sponsor)	Title	Date
--	-------	------

DO NOT ACCEPT:

Signature of Authorized Officer (Sponsor)	Title	Date
---	-------	------

Signature of Authorized Officer (Co-Sponsor)	Title	Date
--	-------	------

Philanthropic Solutions
Bank of America, N.A.

April 1, 2019

Ms. Marian Milbauer, Grants Manager
Friends of Jewish Community Housing for the Elderly
30 Wallingford Road
Brighton, MA 02135

Dear Ms. Milbauer:

It is our pleasure to advise you that the Distribution Committee/Co-Trustee(s) for the Charles H. Farnsworth Trust has awarded a \$525,000 grant to Friends of Jewish Community Housing for the Elderly. This three-year grant was made to support the development/construction costs for Golda Meir House Expansion and Healthy Meals Program. Grant proceeds may be loaned to a limited liability corporation that may be created for this project.

The Trustee(s) of the Charles H. Farnsworth Trust are responsible for the management of the Fund's assets and administration of its grantmaking program and seek to ensure that the philanthropic intentions of the donor are honored.

This letter and enclosed agreement outline the terms and conditions of accepting our grant. Please read all the terms and conditions carefully before signing the agreement. The signed agreement should be returned to us no later than April 8, 2019, as noted in the award agreement. After we receive the signed agreement, we will mail you a check.

We have also enclosed an expenditure report which you will be required to complete and return to us annually and at the conclusion of the grant period.

We are proud to have the opportunity to partner with your organization and look forward to learning more about your continuing success. If you have any questions about this grant, or its conditions, please do not hesitate to call me at 617.434.6454. Best wishes for much success.

Sincerely,



Dian Quinn, S.V.P., Philanthropic Client Manager
Bank of America, NA
Trustee

MA1-225-04-02, 225 Franklin Street
Boston, MA 02110
T 866.778.6859 F 617.310.2193



2Life
COMMUNITIES

Age affordably. Live well.

Formerly Jewish Community Housing for the Elderly (JCHE)

October 31, 2019

Undersecretary Janelle Chan
Department of Housing and Community Development
100 Cambridge Street, Suite 300
Boston, MA 02114

RE: Golda Meir House Expansion, Newton
Project Savings/Upward Tax Credit Adjuster Commitment Letter

Dear Ms. Chan,

This letter is to commit that 2Life Development Inc. (formerly known as Jewish Community Housing for the Elderly III, Inc.), the developer and sponsor of the Golda Meir House Expansion, will use the \$835,400 in project savings/upward tax credit adjuster from the Golda Meir House Renovation as a capital source for Expansion project.

Should you have any questions, please call me at (617) 912-8426.

Sincerely,

Karen Edlund
Treasurer

SUPPORTED BY



30 Wallingford Road • Brighton, MA 02135-4753

TEL 617-912-8400 • FAX 617-912-8489 • 2lifecommunities.org



Commonwealth of Massachusetts
**DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT**

Charles D. Baker, Governor ◆ Karyn E. Polito, Lieutenant Governor ◆ Jennifer D. Maddox, Undersecretary

March 20, 2020

Ms. Amy Schectman
2Life Communities
30 Wallingford Road
Boston, MA 02135

Re: Conditional Reservation of twenty (20) Section 8 Project-Based Vouchers (PBV) for:
Golda Meir House Extension, Newton, MA

Dear Ms. Schectman:

I am pleased to inform you that as part of DHCD's 2019-3 Mini Round funding round, twenty (20) Section 8 project-based vouchers have been conditionally reserved for the above referenced project. This approval is contingent upon your proposal meeting all current and future US Department of Housing and Urban Development (HUD) requirements for the PBV program as codified at 24 CFR 983. Please note that an Agreement to enter a Housing Assistance Payments (AHAP) contract must be executed prior to the start of any construction or demolition on the project. All PBV voucher reservations are subject to available funding from HUD.

DHCD's regional administering agency (RAA) for the City of Boston, Metropolitan Housing Boston, will administer these vouchers on behalf of our agency. With the exception of currently in-place, appropriately housed, eligible tenants, only those applicants referred from RAA's waiting list will be eligible to receive this rental assistance.

DHCD requires that project principals meet with DHCD and the RAA to insure that the owner/sponsor is aware of all Pre-AHAP requirements prior to any commencement of work on the project. Some of these conditions are time consuming. Your project must receive HUD approval for the following requirements:

- ◇ An Environmental Review
- ◇ A Subsidy Layering Review

Until these requirements are satisfactorily completed and approved by HUD, DHCD cannot authorize the RAA to execute the AHAP. These specific requirements will be discussed in detail at the Pre-AHAP meeting.

Please contact Dan Tobyne, Project Based Voucher Program Specialist in our Bureau of Rental Assistance, to arrange the meeting to discuss the steps that will be necessary to utilize these project-based vouchers. Mr. Tobyne can be reached at dan.tobyne@mass.gov

We look forward to working with you to provide these affordable housing units in the City of Newton, MA.

Sincerely,



Jennifer D. Maddox
Undersecretary

cc: Chris Norris, MHB

**JCHE, Inc. and Affiliates
(DBA 2Life Communities, Inc.)**

**Consolidated Financial Statements
(With Supplementary Information)
and Independent Auditor's Report**

December 31, 2018

**JCHE, Inc. and Affiliates
(DBA 2Life Communities, Inc.)**

Index

	<u>Page</u>
Independent Auditor's Report	2
Financial Statements	
Consolidated Statement of Financial Position	4
Consolidated Statement of Activities	6
Consolidated Statement of Changes in Net Assets	7
Consolidated Statement of Cash Flows	8
Notes to Consolidated Financial Statements	10
Supplementary Information	
Consolidating Schedules of Financial Position	26
Consolidating Schedules of Activities	28
Consolidating Schedules of Financial Position - Real Estate Entities	29
Consolidating Schedules of Activities - Real Estate Entities	31

Independent Auditor's Report

To the Board of Directors of JCHE, Inc. and Affiliates (DBA 2Life Communities, Inc.)

We have audited the accompanying consolidated financial statements of JCHE, Inc. and Affiliates, which comprise the consolidated statements of financial position as of December 31, 2018, and the related consolidated statements of activities, changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to JCHE, Inc. and Affiliates' preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of JCHE, Inc. and Affiliates' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of JCHE, Inc. and Affiliates as of December 31, 2018, and the consolidated changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2, the Corporation adopted the Financial Accounting Standards Update ("ASU") 2016-14, *Not-for-Profit Entities (Topic 958)-Presentation of Financial Statements of Not-for-Profit Entities* as of and for the year ended December 31, 2018. The requirements of the ASU have been applied retroactively to all periods presented. Our opinion is not modified with respect to this matter.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information and supplemental schedules on pages 26 to 31 are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual entities. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

CohnReznick LLP

Bethesda, Maryland
June 9, 2020

**JCHE, Inc. and Affiliates
(DBA 2Life Communities, Inc.)**

**Consolidated Statement of Financial Position
December 31, 2018**

Assets

Current assets	
Cash and cash equivalents	\$ 33,942,694
Accounts receivable	1,125,440
Developer fee receivable - current	5,157,631
Investments, current	48,549,095
Pledges receivable	327,367
Prepaid expenses and deposits	413,134
	89,515,361
Other assets	
Developer fee receivable - noncurrent	300,087
Investments	502,034
Replacement reserves	-
Pledges receivable - noncurrent	1,159,405
Security deposits	564,668
Development costs	2,686,311
Escrows and reserves	10,541,691
Other assets	12,656
	15,766,852
Deferred fees, net of accumulated amortization	252,305
Property and equipment	
Land	14,934,072
Buildings and improvements	212,153,542
Furniture and fixtures	4,820,618
Construction in process	19,588,200
Accumulated depreciation	(26,796,479)
	224,699,953
Total assets	\$ 330,234,471

**JCHE, Inc. and Affiliates
(DBA 2Life Communities, Inc.)**

**Consolidated Statement of Financial Position
December 31, 2018**

Liabilities and Net Assets

Current liabilities	
Accounts payable and accrued expenses	\$ 1,763,948
Accounts payable - construction	7,345,964
Accrued interest payable - current	714,830
Accrued asset management fee	10,000
Deferred revenue - current	144,584
Notes payable - current maturities	<u>12,091,236</u>
Total current liabilities	<u>22,070,562</u>
Long-term liabilities	
Security deposit payable	532,155
Accrued interest payable	140,056
Lines of credit	511,004
Notes payable, net	<u>206,168,309</u>
Total long-term liabilities	<u>207,351,524</u>
Commitments and contingencies	-
Net assets	
Without donor restrictions - undesignated	63,241,214
Without donor restrictions - non-controlling	34,804,796
With donor restrictions	<u>2,766,375</u>
Total net assets	<u>100,812,385</u>
Total liabilities and net assets	<u><u>\$ 330,234,471</u></u>

See Notes to Financial Statements.

**JCHE, Inc. and Affiliates
(DBA 2Life Communities, Inc.)**

**Consolidated Statement of Activities
Year Ended December 31, 2018**

	Without donor restrictions	With donor restrictions	Total
Support and revenue			
Contributions	\$ 992,642	\$ 2,447,916	\$ 3,440,558
Other fee income	19,726	-	19,726
Development fee income	4,397,015	-	4,397,015
Grants	827,114	-	827,114
Rental income	31,171,545	-	31,171,545
Program service revenue	1,212,414	-	1,212,414
Other	672,393	-	672,393
Net assets released from restriction	826,589	(826,589)	-
	<u>40,119,438</u>	<u>1,621,327</u>	<u>41,740,765</u>
Total support and revenue			
Expenses			
Program services	30,746,126	-	30,746,126
Supporting services			
Management and general	2,729,194	-	2,729,194
Fundraising	348,212	-	348,212
	<u>3,077,406</u>	<u>-</u>	<u>3,077,406</u>
Total supporting services			
Total operating expenses	<u>33,823,532</u>	<u>-</u>	<u>33,823,532</u>
Non-operating activities			
Gain (loss) on investments - net	(1,000,082)	-	(1,000,082)
Interest and dividends	602,472	-	602,472
Other financial expenses	(625,236)	-	(625,236)
Gain on sale of property and equipment	227,092	-	227,092
Entity expenses	(10,000)	-	(10,000)
Reclassification of net assets due to donor intent	(147,796)	147,796	-
	<u>(953,550)</u>	<u>147,796</u>	<u>(805,754)</u>
Total non-operating activities			
Change in net assets	5,342,356	1,769,123	7,111,479
Non-controlling interest income (loss)	1,441,348	-	1,441,348
Excess (deficiency) of revenue over expenses - attributable to JCHE and Affiliates	<u>\$ 3,901,008</u>	<u>\$ 1,769,123</u>	<u>\$ 5,670,131</u>

See Notes to Financial Statements.

**JCHE, Inc. and Affiliates
(DBA 2Life Communities, Inc.)**

**Consolidated Statement of Changes in Net Assets
Year Ended December 31, 2018**

	Without donor restrictions			With donor restriction	Total
	Controlling	Non-controlling	Total		
Net Assets at December 31, 2017	\$ 61,582,614	\$ 25,537,484	\$ 87,120,098	\$ 997,252	\$ 88,117,350
Contributions from non-controlling members	-	7,825,964	7,825,964	-	7,825,964
Distributions	(2,242,408)	-	-	-	(2,242,408)
Excess (deficiency) of revenue over expenses	3,901,008	1,441,348	5,342,356	1,769,123	7,111,479
Net Assets at December 31, 2018	<u>\$ 63,241,214</u>	<u>\$ 34,804,796</u>	<u>\$ 100,288,418</u>	<u>\$ 2,766,375</u>	<u>\$ 100,812,385</u>

See Notes to Financial Statements.

**JCHE, Inc. and Affiliates
(DBA 2Life Communities, Inc.)**

**Consolidated Statement of Cash Flows
Year Ended December 31, 2018**

Cash flows from operating activities	
Change in net assets	\$ 7,111,479
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation and amortization of tax credit fees	5,560,402
Amortization of debt issuance costs	50,059
Loss (gain) on investments - net	1,000,082
Interest income on investments reinvested	(84,452)
Investment fees	50,567
Discount on pledges receivable	73,728
Donated securities	-
Changes in assets and liabilities	
Accounts receivable	1,247,416
Pledges receivable	(1,281,476)
Prepaid expenses	(147,879)
Accounts payable	(392,081)
Deferred revenue	38,539
Security deposits payable	(12,261)
Accrued interest	(89,422)
Accrued asset management fees	10,000
Other assets	
Developer fee receivable	(3,799,150)
Other assets	64
Development costs	(1,050,803)
	<u>8,284,812</u>
Net cash provided by operating activities	
Cash flows from investing activities	
Investment in property and equipment	(46,929,798)
Proceeds from sales of marketable securities	12,839,259
Investment in marketable securities	(45,873,800)
Change in other escrows and reserves	13,531,502
Tax credit fees paid	(137,024)
Ground lease payment	(12,720)
	<u>(66,582,581)</u>
Net cash used in investing activities	
Cash flows from financing activities	
Proceeds from note payable	72,023,259
Principal payments on notes payable	(8,048,390)
Contributions from noncontrolling members	7,825,964
Proceeds from line of credit	406,743
Distributions to noncontrolling members	(2,242,408)
Debt issuance costs	(1,181,659)
	<u>68,783,509</u>
Net cash provided by financing activities	
Net change in cash and cash equivalents	<u>10,485,740</u>
Cash and cash equivalents	
Beginning of year	<u>23,456,954</u>
End of year	<u>\$ 33,942,694</u>

**JCHE, Inc. and Affiliates
(DBA 2Life Communities, Inc.)**

**Consolidated Statement of Cash Flows
Year Ended December 31, 2018**

Supplemental disclosure of cash flow information:

Cash paid for interest, net of amounts capitalized

\$ 6,931,361

Noncash investing activities

Accounts payable construction included in investment in property and equipment

\$ 7,345,964

Accrued interest included in investment in property and equipment

\$ 5,344

See Notes to Financial Statements.

**JCHE, Inc. and Affiliates
(DBA 2Life Communities, Inc.)**

**Notes to Consolidated Financial Statements
December 31, 2018**

Note 1 - Organization

Jewish Community Housing for the Elderly, Inc. and Affiliates was organized under the laws of the Commonwealth of Massachusetts in 1965 as a nonprofit organization to build and operate rental housing for seniors under Section 202 of the National Housing Act. The Organization sold its assets to an affiliate in 2013. The Organization is operated for the benefit of affiliated 501(c)(3) organizations and is the asset manager for senior housing projects sponsored and operated by the Organization and other nonprofit entities affiliated with 2Life Communities.

The consolidated financial statements include the accounts of JCHE, Inc. and the following separately incorporated affiliates ("JCHE, Inc. and Affiliates, JCHE or the Organization").

The following list of is comprised of limited liability companies (LLCs) and limited partnerships (LPs) that rehabilitate, construct, and operate affordable housing communities. JCHE and certain affiliated entities act in the capacity of managing member for these entities.

- JCHE Leventhal LP ("Leventhal")
- JCHE Ulin LP ("Ulin")
- JCHE Genesis LP ("Kurlat")
- JCHE 132 CHA LLC ("Weinberg")
- JCHE Golda LP ("Golda")
- JCHE Coleman LP ("Coleman")
- JCHE Framingham LP ("Shillman")

The following list of for-profit and not for-profit entities are wholly owned by JCHE, Inc., except for JCHE Golda GP LLC and JCHE Shillman, Inc., which are owned 45% and 21%, respectively, by LRCC Holdings, an unrelated third party. These entities act in the capacity of managing member or general partner for affiliated tax credit entities.

- JCHE Leventhal, Inc.
- JCHE Ulin, Inc.
- JCHE MM Genesis LLC
- JCHE MM 132 CHA LLC
- JCHE Golda GP LLC
- JCHE Coleman GP LLC
- JCHE Shillman, Inc.

The following not for-profit entities are wholly owned by JCHE, Inc.:

- Friends of Jewish Community Housing for the Elderly, Inc. ("Friends of JCHE")
- Jewish Community Housing for the Elderly Services, Inc. ("JCHE Services")
- Jewish Community Housing for the Elderly II, Inc. ("JCHE II")
- Jewish Community Housing for the Elderly III, Inc. ("JCHE III, Inc.")
- Jewish Community Housing for the Elderly IV, Inc. ("JCHE IV")
- Jewish Community Housing for the Elderly V, Inc. ("JCHE V")
- Jewish Community Housing for the Elderly VI, Inc. ("JCHE VI")
- Jewish Community Housing for the Elderly III, LP. ("JCHE III, LP")

**JCHE, Inc. and Affiliates
(DBA 2Life Communities, Inc.)**

**Notes to Consolidated Financial Statements
December 31, 2018**

The not-for-profit affiliates are commonly controlled by a majority of the same board members of JCHE, Inc.

The for-profit affiliates are controlled by JCHE, Inc. through its ownership of the managing members and general partner of the LLCs and LPs.

Note 2 - Summary of significant accounting policies

A summary of significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Principles of consolidation

The consolidated financial statements include the accounts of JCHE, Inc. and Affiliates. The boards of the directors of JCHE, Inc. and not-for-profit affiliates have common members. The LLC and LP entities are included in the consolidation according to generally accepted accounting principles which require company accounts be consolidated for all LLCs and LPs which are deemed to be controlled by JCHE, Inc. Significant inter-organization accounts and transactions have been eliminated.

Basis of accounting

JCHE, Inc. and Affiliates ("JCHE") prepares its consolidated financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Economic concentrations

JCHE operates multiple properties located in Massachusetts. Future operations could be affected by changes in economic or other conditions in that geographical area or by changes in federal low-income housing subsidies or the demand for such housing.

Cash and cash equivalents

JCHE considers money market funds and highly-liquid overnight investments with original maturities of three months or less to be cash equivalents.

Escrows and reserves are not considered cash and cash equivalents, and include cash held with financial institutions for tenant security deposits, repairs or improvements to the buildings which extend their useful lives, local rent supplement program reserves and bond reserves.

Accounts receivable and bad debts

Tenant receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

**JCHE, Inc. and Affiliates
(DBA 2Life Communities, Inc.)**

**Notes to Consolidated Financial Statements
December 31, 2018**

Pledges

Unconditional pledges to give are recognized as revenue in the period the pledges are received, and as assets, or decreases of liabilities or expenses depending on the form of the benefits received. Conditional pledges are recognized as revenue when the conditions on which they depend are substantially met. A conditional pledge is considered unconditional if the possibility that the condition will not be met is remote.

Pledges are reported net of an allowance for doubtful accounts. Management's estimate of the allowance is based on historical collection experience and a review of the current status of the promises. At December 31, 2018, no allowance has been recorded. It is reasonably possible that management's estimate of the allowance will change. Pledges as of December 31, 2018 are unconditional and considered fully collectible.

Property and equipment

Property and equipment are recorded at cost. Donated property is recorded at the estimated market value at the time of donation. Buildings are depreciated using the straight-line method over their estimated useful lives of 40 years. Other property and equipment purchases are capitalized and depreciated over their estimated useful lives ranging from five to 10 years. Leasehold improvements are amortized over the lesser of their estimated useful lives or the related lease terms. Land improvements are depreciated over their estimated useful life of ranging from 15 to 20 years under the straight-line method. Expenditures greater than \$5,000 that extend the useful life of the asset are capitalized.

Debt issuance costs

Debt issuance costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the mortgage loan payable to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using an imputed interest rate on the related loan.

Deferred fees and amortization

During 2018, deferred fees include tax credit fees of \$316,393, which are amortized using the straight-line method over 15 years. Amortization expense for the year ended December 31, 2018 was \$21,165. Accumulated amortization as of December 31, 2018 was \$64,088. Estimated amortization expense for each of the years through December 31, 2023 is \$21,165.

Impairment of long-lived assets

JCHE reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds the fair value as determined from an appraisal, discounted cash flows analysis, or other valuation technique. There was no impairment losses recognized during 2018.

Revenue recognition

Contributions are recognized as revenue when an unconditional promise to give is received by JCHE. All contributions, and other types of revenue with restrictions imposed by the donor, are reported as increases in net assets with donor restriction. When a restriction expires, net assets with donor restriction are reclassified to net assets without donor restriction.

**JCHE, Inc. and Affiliates
(DBA 2Life Communities, Inc.)**

**Notes to Consolidated Financial Statements
December 31, 2018**

Development fee income is recognized as income when earned by JCHE upon the achievement of specified criteria as defined by the related development services agreements. Development fee receivable and development fee income earned from affiliates and payable from operational cash flow of the respective entities is eliminated during consolidation. As of December 31, 2018, Development fee receivable from investor capital was \$5,457,718.

Rental revenue attributable to residential leases is recorded when due from residents, generally upon the first day of each month. Leases are for periods of up to one year, with rental payments due monthly. Rental payments received in advance are deferred until earned. All leases between JCHE and its tenants are operating leases. Subsidy income and other income, which includes fees for late payments and laundry facilities, are recorded when earned.

Advertising

Advertising costs are expensed when incurred. For the year ended December 31, 2018, JCHE, Inc. and Affiliates incurred advertising costs of \$86,751.

Income taxes

JCHE, Inc., Friends of JCHE, JCHE Services, JCHE II, JCHE III, Inc., JCHE IV, JCHE V, and JCHE VI have applied for and received a determination letter from the Internal Revenue Service ("IRS") to be treated as a tax-exempt entity pursuant to Section 501(c)(3) of the Internal Revenue Code and did not have any unrelated business income for the year ended December 31, 2018. Due to its tax-exempt status, the organizations are not subject to income taxes. They are required to file and do file tax returns with the IRS and other taxing authorities. Accordingly, these consolidated financial statements do not reflect a provision for income taxes and the organizations have no other tax positions which must be considered for disclosure. Income tax returns filed by the organizations are subject to examination by the Internal Revenue Service for a period of three years. While no income tax returns are currently being examined by the Internal Revenue Service, tax years since 2015 remain open.

All other affiliated entities have elected to be treated as pass-through entities for income tax purposes and, as such, are not subject to income taxes. Rather, all items of taxable income, deductions and tax credits are passed through to and are reported by the owners on their respective tax returns. The affiliated entities' federal tax status as pass-through entities is based on their legal status as limited liability companies or limited partnership. Accordingly, these affiliated entities are not required to take any tax positions in order to qualify as pass-through entities. These affiliated entities are required to file and do file tax returns with the Internal Revenue Service and other taxing authorities. Accordingly, these consolidated financial statements do not reflect a provision for federal income taxes for these affiliated entities. These affiliated entities have no other tax positions which must be considered for disclosure. Income tax returns filed by these affiliated entities are subject to examination by the Internal Revenue Service for the period of three years. While no income tax returns are currently being examined by the Internal Revenue Service, tax years since 2015 remain open.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities. Directly identifiable expenses are charged to program and supporting services. Overhead expenses related to more than one function are allocated to program and supporting services based on time spent on various programs.

**JCHE, Inc. and Affiliates
(DBA 2Life Communities, Inc.)**

**Notes to Consolidated Financial Statements
December 31, 2018**

Non-controlling interest in limited liability companies

This amount represents the aggregate balance of the investor partners'/members' equity interest in the non-wholly owned limited partnerships/limited liability companies that are included in the consolidated financial as of year ended December 31, 2018.

Fair value

The Organization adopted a framework for measuring fair values as defined as the exchange price that would be received for certain assets or liabilities in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. The Organization utilizes the valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The Organization has not adopted a framework for measuring fair values of certain nonfinancial assets and liabilities.

Investments

Investments are reported at fair value, realized and unrealized gains and losses are included in the statements of activities and disclosure about investments held and the return on those investments are included in the notes to the financial statements.

Realized gains and losses are classified as unrestricted net assets unless they are restricted by the donor or law.

Reclassification of net assets due to donor intent

During 2018, a reclassification was made to correct prior year understated net assets with donor restriction in the amount of \$147,796.

Change in accounting principle

During 2018, the Organization adopted the provisions of Accounting Standards Update 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* ("ASU 2016-14"). The update addresses the complexity and understandability of net asset classifications, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Corporation has adjusted the presentation of these statements accordingly. ASU 2016-14 has been applied on a retrospective basis.

Note 3 - Pledges

Unconditional

Capital campaign and operations pledges receivable as of December 31, 2018 are presented as temporarily restricted net assets. These unconditional promises to give are to be received by the Organization for years subsequent to December 31, 2018.

**JCHE, Inc. and Affiliates
(DBA 2Life Communities, Inc.)**

**Notes to Consolidated Financial Statements
December 31, 2018**

Pledges are considered fully collectible and are due as follows as of December 31, 2018:

Within one year	\$	327,367
From one to five years		1,233,133
		1,560,500
Less:		
Discount on pledges receivable		(73,728)
		\$ 1,486,772
		\$ 1,486,772
Pledges receivable, current portion	\$	327,367
Pledges receivable, non-current portion		1,159,405
		\$ 1,486,772
		\$ 1,486,772

Note 4 - Net assets with donor restrictions

At December 31, 2018, net assets with donor restrictions consisted of the following:

Capital campaign	\$	1,748,021
Charitable gifts		278,035
Grants and foundations		722,819
Permanently restricted		17,500
		\$ 2,766,375
		\$ 2,766,375
Capital campaign	\$	4,500
Charitable gifts		138,275
Grants and foundations		683,814
		\$ 826,589
		\$ 826,589

Net assets released from donor restrictions for the year ended December 31, 2018 are as follows:

Capital campaign	\$	4,500
Charitable gifts		138,275
Grants and foundations		683,814
		\$ 826,589
		\$ 826,589

Note 5 - Investments

During 2016, the Organization invested into the Jewish Community Endowment Pool, LLP (the "Pool"), sponsored by combined Jewish Philanthropies of Greater Boston, Inc. ("CJP"). The Organization is assigned a percentage of the Pool based on the market value of the assets in the Pool at the time of entry. Current market value of the investments in the Pool is used to determine the market value of the Organization's interest at December 31, 2018. Income from investments in the Pool is allocated to each

**JCHE, Inc. and Affiliates
(DBA 2Life Communities, Inc.)**

**Notes to Consolidated Financial Statements
December 31, 2018**

partner based on the partner's percent interest in the Pool. At December 31, 2018, the Organization owned 0.62% of the Pool. Investments in Jewish Community Endowment Pool, LLP at December 31, 2018 are summarized as follows:

	Costs	Market
Jewish Community Endowment Pool, LLP	\$ 8,210,103	\$ 8,551,115

The composition of the investments held in the Jewish Community Endowment Pool, LLP at December 31, 2018 was as follows:

Equities	\$ 2,989,721
Hedged equities	3,844,832
REITS	345,214
Fixed income bonds	1,111,646
Money markets	259,702
	\$ 8,551,115

The Organization's other investments at December 31, 2018 are summarized as follows:

Foreign currency and cash equivalents	\$ 8,222,140
Mutual funds	3,164,406
Fixed income	22,400,388
Exchange traded funds	3,606,391
Real estate investment trust	26,834
Equities	264,565
Bonds	50,000
Certificates of deposit	2,765,290
	\$ 40,500,014

Note 6 - Fair value measurement

The accounting guidance for fair value measurements and disclosures clarifies the principle that fair value should be based on the assumptions that market participants would use when pricing the asset or liability, and establishes the following fair value hierarchy:

- Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access;
- Level 2 inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability; and

**JCHE, Inc. and Affiliates
(DBA 2Life Communities, Inc.)**

**Notes to Consolidated Financial Statements
December 31, 2018**

- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following table presents the fair value of assets measured on a recurring basis at December 31, 2018:

	Level 1	Level 2	Level 3	Net balance
Foreign currency and cash equivalents	\$ 8,222,140	\$ -	\$ -	\$ 8,222,140
Mutual funds	3,164,406	-	-	3,164,406
Fixed income	-	22,400,388	-	22,400,388
Exchange traded funds	3,606,391	-	-	3,606,391
Real estate investment trust	26,834	-	-	26,834
Equities	264,565	-	-	264,565
Bonds	-	50,000	-	50,000
Certificates of deposit	-	2,765,290	-	2,765,290
Investments in limited partnership	-	-	8,551,115	8,551,115
	<u>\$ 15,284,336</u>	<u>\$ 25,215,678</u>	<u>\$ 8,551,115</u>	<u>\$ 49,051,129</u>

The following table provides a summary of changes in fair value of the Organization's Level 3 assets, as well as the portion of gains or losses included in income attributable to unrealized gains or losses that related to those assets held at December 31, 2018:

	January 1, 2018	Purchase, issuance and settlement	Net realized/ unrealized gain included in earnings	Transfers in and/or out of Level 2	December 31, 2018
Investments in limited partnership	<u>\$ 8,963,770</u>	<u>\$ -</u>	<u>\$ (412,655)</u>	<u>\$ -</u>	<u>\$ 8,551,115</u>

Note 7 - Line of credit

Brookline Bank is providing predevelopment financing to JCHE Services in the form of a revolving line of credit (the "Line of Credit"). The Line of Credit permits borrowings up to \$2,000,000 and provides for an interest rate of U.S Prime Rate Plus Prime Rate Margin per annum (5.50% at December 31, 2018). The Line of Credit matures on December 31, 2049. The Line of Credit is secured by a first priority interest in all business assets. At December 31, 2018, the outstanding balance of the Line of Credit is \$104,261. The Line of Credit is intended to be used primarily for predevelopment expenses associated with the affordable housing developments of affiliated organizations.

JCHE III, Inc. has a letter of credit with The Life Initiative in the original amount of \$1,250,000. The line of credit bears interest at 6% and requires quarterly payments of interest-only. The Line of Credit matures on September 13, 2023. At December 31, 2018, the outstanding balance was \$406,743.

**JCHE, Inc. and Affiliates
(DBA 2Life Communities, Inc.)**

**Notes to Consolidated Financial Statements
December 31, 2018**

Note 8 - Notes payable

Notes payable at December 31, 2018 consisted of:

Name of Creditor	Maturity Date	Interest Rate	Balance as of 12/31/2018	Other	Name of Debtor
Massachusetts Development Finance Agency ("MHFA")	3/1/2048	5.19%	\$ 11,819,515	Principal and interest payments are due monthly	Leventhal
Department of Housing and Urban Development "HUD")	12/1/2056	3.53%	44,972,036	Principal and interest payments are due monthly. Balance includes unamortized mortgage premium of \$3,483,791	Ulin
MHFA	1/1/2049	3.90%	56,790,000	Interest only payment during the construction period. Principal and interest payments are due monthly beginning 1/1/2019	Kurlot
MHFA	3/1/2019	7.69%	13,150	Principal and interest payments are due monthly	Kurlot
MHFA	2/1/2019	11.85%	646	Principal and interest payments are due monthly	Kurlot
Red Mortgage Capital LLC	5/1/2053	3.77%	25,620,247	Principal and interest payments are due monthly	Coleman
HUD	7/31/2038	0.00%	4,056,700	If there has been no default, the note will be discharged at maturity.	Coleman
City of Newton	40 years from date of occupancy	0.00%	200,000	If there has been no default, the note will be discharged at maturity.	Coleman
MHFA	8/1/2059	3.90%	36,716,086	Principal and interest payments are due monthly	Golda
MHFA	11/1/2051	6.50%	12,158,841	Principal and interest payments are due monthly	Shillman
Town of Framingham	12/1/2054	0.20%	72,874	All outstanding principal and interest due at maturity	Shillman
Commonwealth of Massachusetts	12/17/2051	0.00%	2,854,342	All outstanding principal due at maturity	Shillman
Community Economic Development Assistance Corporation	6/17/2041	0.00%	467,002	All outstanding principal due at maturity	Shillman
Massachusetts Housing Partnership Fund	6/17/2061	0.00%	717,001	All outstanding principal due at maturity	Shillman
MHFA	12/17/2051	0.00%	971,528	All outstanding principal due at maturity	Shillman
MHFA	11/1/2051	0.00%	2,603,733	All outstanding principal due at maturity	Shillman
MHFA	8/24/2050	3.79%	467,309	All outstanding principal and interest due at maturity	Shillman
Community Economic Development Assistance Corporation	6/17/2041	0.00%	467,002	All outstanding principal due at maturity	Shillman
Combined Jewish Philanthropies of Greater Boston, Inc.	On demand	0.00%	25,000	Payable on demand	JCHE, Inc.
HUD	7/31/2051	0.00%	7,579,000	If there has been no default, the note will be discharged at maturity.	JCHE III, Inc.

**JCHE, Inc. and Affiliates
(DBA 2Life Communities, Inc.)**

**Notes to Consolidated Financial Statements
December 31, 2018**

Name of Creditor	Maturity Date	Interest Rate	Balance as of 12/31/2018	Other	Name of Debtor
Wells Fargo Community Development Bank	7/12/2019	Variable 4.66% at 12/31/2018	8,506,047	Monthly payments of interest only	Weinberg
Department of Housing and Community Development ("DHCD") AHTF Loan	7/31/2059	2.00%	925,000	All outstanding principal and interest due at maturity	Weinberg
DHCD HSF Loan	12/12/2068	2.00%	495,000	All outstanding principal and interest due at maturity	Weinberg
Community Economic Development Assistance Corporation ("CEDAC") FCF Loan	12/12/2048	2.00%	475,000	All outstanding principal and interest due at maturity	Weinberg
DHCD HOME Loan	7/31/2059	2.00%	475,000	All outstanding principal and interest due at maturity	Weinberg
Department of Neighborhood Development ("DND") Housing 2030 Loan	7/31/2059	2.50%	1,187,500	All outstanding principal and interest due at maturity	Weinberg
DND NHT Loan	7/31/2059	2.50%	950,000	All outstanding principal and interest due at maturity	Weinberg
CEDAC HIF Loan	12/12/2048	2.00%	475,000	All outstanding principal and interest due at maturity	Weinberg
			222,060,559		
		Less: Current maturities	(12,091,236)		
		Less: Debt issuance cost, net	(3,801,014)		
		Total long-term notes payable	<u>\$ 206,168,309</u>		

As of December 31, 2018, all notes payable are solely collateralized by the respective rental properties owned by the affiliated entities responsible for each mortgage.

Debt issuance costs, net of accumulated amortization, totaled \$3,801,014 at December 31, 2018, and are related to the mortgages above. Debt issuance costs on the above notes are being amortized using imputed rates that range from 0.02% to 7.42%.

The aggregate amount of principal payments required on notes payable at December 31, 2018 are as follows:

December 31, 2019	\$	12,091,236
2020		4,508,194
2021		4,692,255
2022		4,883,947
2023		5,083,593
Thereafter		<u>187,317,543</u>
Total	\$	<u>218,576,768</u> *

*excludes unamortized mortgage premium of \$3,483,791

**JCHE, Inc. and Affiliates
(DBA 2Life Communities, Inc.)**

**Notes to Consolidated Financial Statements
December 31, 2018**

Note 9 - Commitments and contingencies

The Organization's low-income housing credits are contingent on its ability to maintain compliance with applicable sections of Section 42 of the Internal Revenue Code. Failure to maintain compliance with tenant income eligibility and rent limits or to correct instances of noncompliance within a reasonable time period could result in recapture of previously claimed tax credits plus interest. In addition, any such noncompliance, if it were to occur, likely would result in an adjustment to the contributed capital of the investor limited partners.

Note 10 - Defined contribution plan

The Organization and its affiliates adopted a defined contribution plan effective February 1, 2008. The Plan covers all employees who have met the eligibility requirements. Participants may elect to make contributions pursuant to a salary reduction agreement, subject to statutory limits. The Plan provides for an employer matching contribution of 60% up to 5% of the individual participant's compensation. In addition, the Plan provides for a discretionary employer contribution. Vesting in employer matching contributions and discretionary employer contributions plus earnings is 100% at all times. Total contributions to the Plan for the year ended December 31, 2018 was \$140,630, which is included in salaries and employee benefits on the statement of activities.

Note 11 - Uninsured cash

The Organization maintains its cash balances in several accounts in various banks. The cash balances are insured by the Federal Deposit Insurance Corporation. At times, these balances may exceed the federal insurance limits; however, the Organization has not experienced any losses with respect to its bank balances in excess of government-provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances at December 31, 2018.

Note 12 - Related party transaction

Kurlot entered into an asset management fee agreement with Wells Fargo Affordable Housing Community Development Corporation. Pursuant to the agreement, Kurlot is obligated to pay an annual cumulative fee of \$5,000 per year, commencing January 1, 2018. The fee shall be payable annually by the cash flow of the Project. For the year ended December 31, 2018, \$5,000 was incurred. At December 31, 2018, fees of \$5,000 remained payable.

Golda entered into an asset management fee agreement with Wells Fargo Affordable Housing Community Development Corporation. Pursuant to the agreement, Golda is obligated to pay an annual cumulative fee of \$5,000 per year, commencing January 1, 2018. The fee shall be payable annually by the cash flow of the Project. For the year ended December 31, 2018, \$5,000 was incurred. At December 31, 2018, fees of \$5,000 remained payable.

Note 13 - Significant contracts

Construction contracts

Weinberg entered into a construction contract with Dellbrook Construction LLC, an unrelated party, to perform general contractor services in conjunction with the construction of the Project in the original amount of \$16,230,087. Change orders through December 31, 2018 were \$561,992. As of December 31, 2018, \$14,877,685 of costs have been incurred and capitalized to the cost of the rental property. As

**JCHE, Inc. and Affiliates
(DBA 2Life Communities, Inc.)**

**Notes to Consolidated Financial Statements
December 31, 2018**

of December 31, 2018, \$3,330,993, including retainage of \$745,423, remains payable and is included in accounts payable - construction.

Golda entered into a construction contract with Colantonio, Inc. an unrelated party, to perform general contractor services in conjunction with the construction of the Project. The contract sum amounted to \$31,633,858, of which \$3,361,461 represents change orders. As of December 31, 2018, \$34,995,319 of costs have been incurred and capitalized to the cost of the rental property. As of December 31, 2018, \$3,320,533, including retainage of \$1,640,489, remains payable and is included in accounts payable - construction.

Kurlat entered into a contract, approved by the Agency with Dellbrook Construction, LLC, an unrelated party, to perform general contractor services in conjunction with the construction of the Project. The contract sum amounted to \$37,358,516, of which \$3,396,229 represents change orders. For the years ended December 31, 2018, \$37,358,516 was incurred and is capitalized in rental property. As of December 31, 2018, \$150,000 was payable and is included in accounts payable - construction.

Leventhal has entered into a contract with Commercial Masonry Corporation, an unrelated party, to perform general contractor services in conjunction with the renovation of the building's façade. For the years ended December 31, 2018 and 2017, the contract sum, including change orders, amounted to \$1,368,537 and \$1,031,000, respectively. For the years ended December 31, 2018 and 2017, \$1,324,773 and \$989,520 was incurred and is capitalized in building on the balance sheet. As of December 31, 2018, and 2017, \$264,054 and \$98,952 was payable and is included in accounts payable - construction/development on the balance sheet.

Other contracts

The Organization entered a contract for the purchase of natural gas from Constellation Energy Gas Choice, LLC. The contract provides for the purchase of natural gas at a predetermined cost based on a monthly volume commitment. Usage in the monthly electricity and natural gas demand are charged an incremental rate depending on usage in excess of or less than the actual demand in relation to the contracted demand. The total costs incurred under these contracts for the year ended December 31, 2018 totaled \$425,300.

Kurlat has entered into a contract with Dietz & Company Architects, Inc., an unrelated party, to perform architect's basic services in conjunction with the construction of the Project. The contract amounted to \$1,937,000. For the years ended December 31, 2018 and 2017, \$1,937,000 and \$1,768,056, respectively, was incurred and capitalized to the building. As of December 31, 2018 and 2017, \$0 and \$27,300, respectively, was payable and is included in accounts payable - construction on the balance sheets.

**JCHE, Inc. and Affiliates
(DBA 2Life Communities, Inc.)**

**Notes to Consolidated Financial Statements
December 31, 2018**

Note 14 - Availability and liquidity

The following represents JCHE, Inc. and Affiliates' financial assets at December 31, 2018:

Cash and cash equivalents	\$ 33,942,694
Accounts receivable	1,125,440
Developer fee receivable - current	4,215,762
Investments - current	48,549,095
Pledges receivable	327,367
Escrow deposits	2,568,703
Less:	
Guarantees - required reserve	(9,000,000)
Donor restricted net assets	<u>(1,606,970)</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u><u>\$ 80,122,091</u></u>

The Organization's goals to maintain and generate liquid assets is described as follows:

- Real estate portfolio - to maintain sufficient liquidity to meet 60-90 days of operating and debt service requirements with the excess distributed in accordance with surplus cash provisions as contained within the financing documents of each property.
- Parent organization - to maintain financial assets to meet to the following:
 - 6 months of operating expenses (approximately \$3.214 million) in its operating cash accounts and operating reserve funds; plus;
 - 12 months of operating expenses to fund programs and services (approximately \$2.7 million) in all of its undesignated and designated funds.

Note 15 - Guarantees

JCHE III, Inc. is required to maintain a net worth of at least \$5,000,000 and at least 20% of such amount in liquid investments throughout the Compliance Period of Shillman, as defined. At December 31, 2018, the Organization has greater than \$5,000,000 in liquid investments.

JCHE II shall maintain at all times Unencumbered Liquid Assets, as defined in the guaranty agreement, of at least \$4,000,000, subject to reduction per the terms of the agreement, through construction completion and \$1,000,000 thereafter. At December 31, 2018, the Organization has greater than \$4,000,000 in liquid investments.

Note 16 - Grants

In conjunction with the purchase of the property, Ulin assumed a HUD-funded Congregate Housing Services Program ("CHSP") cost reimbursement grant (the "Grant") of approximately \$688,605 over a five-year period. The Grant has been renewed in one -year increments, resulting in a current expiration date of December 31, 2018 and a total HUD-funded award of \$3,053,607. Grant funds are restricted to provide a variety of support services to eligible tenants residing in Ulin House, Kurlot and Leventhal House (affiliates). The Grant stipulates that HUD will reimburse the Partnership for allowable program

**JCHE, Inc. and Affiliates
(DBA 2Life Communities, Inc.)**

**Notes to Consolidated Financial Statements
December 31, 2018**

costs and the remaining costs will be reimbursed by matching funds and contributions from participating Boston area elderly service providers, tenants and other JCHE entities.

The Grant further stipulates that Ulin act as sole grant recipient for Ulin House, Leventhal House and Kurlot, and that the costs and revenue associated with the Grant has no net impact on the financial results of Ulin House. For the year ended December 31, 2018, \$414,750 had been expended related to this grant and \$414,750 was recognized as grant revenue. At December 31, 2018, a total of \$34,218 was due from grantors, tenants and other parties and \$38,789 is due from HUD. At December 31, 2018, a total of \$214,456 was payable which was comprised primarily of amounts due to affiliates. Of the \$414,750 of income, \$259,710 was contributed by related parties and \$155,040 was funded through HUD.

Note 17 - Functional expenses

The table below presents expenses by both their nature and function during the year ended December 31, 2018:

	Program Services	Management & General	Fundraising	Total
Salaries & benefits	\$ 4,785,015	\$ 251,599	\$ 168,505	\$ 5,205,119
Administrative	4,525,146	2,087,279	-	6,612,425
Rent & utilities	2,408,867	-	-	2,408,867
Operating & maintenance	2,989,224	26,868	-	3,016,092
Taxes & insurance	2,838,119	350,733	58,977	3,247,829
Interest	6,891,998	-	-	6,891,998
Resident services	37,799	-	-	37,799
Caring Choice	26,784	-	-	26,784
Fitness expense	44,869	-	-	44,869
Equipment	540,485	-	-	540,485
Transportation and van	85,268	-	-	85,268
Generations program	1,645	-	-	1,645
Communication and education	3,845	-	-	3,845
Fundraising expense	-	-	120,730	120,730
Other	18,800	575	-	19,375
Depreciation and amortization	5,548,262	12,140	-	5,560,402
Total operating expenses	30,746,126	2,729,194	348,212	33,823,532
Non-operating expenses	635,236	-	-	635,236
Total	\$ 31,381,362	\$ 2,729,194	\$ 348,212	\$ 34,458,768

**JCHE, Inc. and Affiliates
(DBA 2Life Communities, Inc.)**

**Notes to Consolidated Financial Statements
December 31, 2018**

Note 18 - Subsequent events

Events that occur after the consolidated statements of financial position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of the subsequent events that provide evidence about conditions at the consolidated statements of financial position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about the conditions that existed after the consolidated statements of financial position date require disclosure in the accompanying notes. Management evaluated the activity of JCHE through June 9, 2020 (the date the financial statements were available to be issued). No subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

Supplementary Information

**JCHE, Inc. and Affiliates
(DBA 2Life Communities, Inc.)**

**Consolidating Schedules of Financial Position
December 31, 2018**

	JCHE, Inc.	Friends of JCHE	JCHE Services	JCHE II	JCHE III Inc.	JCHE III LP	JCHE IV	JCHE V	Real Estate	Eliminations	Total
Assets											
Current assets											
Cash and cash equivalents	\$ 5,063,620	\$ 1,337,540	\$ 1,279,363	\$ 5,863,695	\$ 5,155,340	\$ 283,537	\$ 117,037	\$ 123,492	\$ 14,719,070	\$ -	\$ 33,942,694
Accounts receivable	147	8,882	195,602	451	-	-	-	81,414	838,944	-	1,125,440
Developer fee receivable - current	-	-	-	6,294,928	-	-	-	-	-	(1,137,297)	5,157,631
Due from affiliates	172,930	687,604	506,669	182,505	156,891	710	-	1,024	16,203	(1,724,536)	-
Investments, current	39,985,329	141,155	1,092,798	2,219,413	5,110,400	-	-	-	-	-	48,549,095
Pledges receivable	-	327,367	-	-	-	-	-	-	-	-	327,367
Prepaid expenses and deposits	-	-	20,350	-	-	-	-	-	392,784	-	413,134
Total current assets	45,222,026	2,502,548	3,094,782	14,560,992	10,422,631	284,247	117,037	205,930	15,967,001	(2,861,833)	89,515,361
Other assets											
Developer fee receivable - noncurrent	-	-	-	300,087	1,679,389	-	-	-	-	(1,679,389)	300,087
Investments	-	-	-	502,034	-	-	-	-	-	-	502,034
Pledges receivable - noncurrent	-	1,159,405	-	-	-	-	-	-	-	-	1,159,405
Security deposits	-	-	-	-	-	-	-	-	564,668	-	564,668
Accrued interest receivable - related party	4,462	-	-	880,775	754,869	-	690,135	87,130	-	(2,417,371)	-
Development costs	-	-	-	-	2,686,311	-	-	-	-	-	2,686,311
Escrows and reserves	-	-	-	-	-	2,360,924	130,816	76,963	7,972,988	-	10,541,691
Other assets	-	-	-	-	-	-	-	-	12,656	-	12,656
Total other assets	4,462	1,159,405	-	1,682,896	5,120,569	2,360,924	820,951	164,093	8,550,312	(4,096,760)	15,766,852
Notes receivable - related parties	6,427,256	-	-	4,936,879	12,164,591	96,113	16,125,122	4,200,822	-	(43,950,783)	-
Deferred fees, net of accumulated amortization	-	-	-	-	-	-	-	-	252,305	-	252,305
Property and equipment											
Land	-	-	-	-	-	-	-	-	14,934,072	-	14,934,072
Buildings and improvements	-	-	-	-	-	-	99	-	220,427,847	(8,274,404)	212,153,542
Furniture and fixtures	-	21,550	785,308	-	-	-	-	-	4,013,760	-	4,820,618
Construction in process	-	-	-	-	-	-	-	-	19,588,200	-	19,588,200
Accumulated depreciation	-	-	(740,796)	-	-	-	-	-	(26,315,661)	259,978	(26,796,479)
Total property and equipment	-	21,550	44,512	-	-	-	99	-	232,648,218	(8,014,426)	224,699,953
Total assets	\$ 51,653,744	\$ 3,683,503	\$ 3,139,294	\$ 21,180,767	\$ 27,707,791	\$ 2,741,284	\$ 17,063,209	\$ 4,570,845	\$ 257,417,836	\$ (58,923,802)	\$ 330,234,471

**JCHE, Inc. and Affiliates
(DBA 2Life Communities, Inc.)**

**Consolidating Schedules of Financial Position
December 31, 2018**

	JCHE, Inc.	Friends of JCHE	JCHE Services	JCHE II	JCHE III Inc.	JCHE III LP	JCHE IV	JCHE V	Real Estate	Eliminations	Total
Liabilities and Net Assets											
Current liabilities											
Accounts payable and accrued expenses	\$ 225,035	\$ 48,196	\$ 243,493	\$ 15,051	\$ 142,158	\$ 2,515	\$ -	\$ 13,339	\$ 1,101,597	\$ (27,436)	\$ 1,763,948
Accounts payable - construction	-	-	-	-	-	-	-	-	7,345,964	-	7,345,964
Accrued interest payable - current	-	-	-	-	-	-	-	-	714,830	-	714,830
Due to affiliates	204,152	290,687	654,395	-	26,077	-	14	11,306	470,969	(1,657,600)	-
Accrued asset management fee	-	-	-	-	-	-	-	-	10,000	-	10,000
Deferred revenue - current	-	-	-	-	-	-	-	-	144,584	-	144,584
Notes payable - current maturities	25,000	-	-	-	-	-	-	-	12,116,236	(50,000)	12,091,236
Total current liabilities	454,187	338,883	897,888	15,051	168,235	2,515	14	24,645	21,904,180	(1,735,036)	22,070,562
Long-term liabilities											
Security deposit payable	-	-	-	-	-	-	-	-	532,155	-	532,155
Accrued interest payable	-	-	-	-	-	-	-	-	2,470,297	(2,330,241)	140,056
Developer fee payable	-	-	-	-	-	-	-	-	8,274,404	(8,274,404)	-
Lines of credit	-	-	104,261	-	406,743	-	-	-	-	-	511,004
Notes payable, net	-	-	-	-	7,579,000	-	-	-	198,589,309	-	206,168,309
Notes payable - related party	-	-	-	-	-	-	-	-	39,739,461	(39,739,461)	-
Total long-term liabilities	-	-	104,261	-	7,985,743	-	-	-	249,605,626	(50,344,106)	207,351,524
Net assets											
Net assets without donor restrictions	51,071,027	578,245	2,137,145	21,165,716	19,396,922	2,738,769	17,063,195	4,546,200	(14,091,970)	(6,559,239)	98,046,010
Net assets with donor restrictions	128,530	2,766,375	-	-	156,891	-	-	-	-	(285,421)	2,766,375
Total net assets	51,199,557	3,344,620	2,137,145	21,165,716	19,553,813	2,738,769	17,063,195	4,546,200	(14,091,970)	(6,844,660)	100,812,385
Total liabilities and net assets	\$ 51,653,744	\$ 3,683,503	\$ 3,139,294	\$ 21,180,767	\$ 27,707,791	\$ 2,741,284	\$ 17,063,209	\$ 4,570,845	\$ 257,417,836	\$ (58,923,802)	\$ 330,234,471

See Independent Auditor's Report.

**JCHE, Inc. and Affiliates
(DBA 2Life Communities, Inc.)**

**Consolidating Schedules of Activities
Year Ended December 31, 2018**

	JCHE, Inc.	Friends of JCHE	JCHE Services	JCHE II	JCHE III Inc.	JCHE III LP	JCHE IV	JCHE V	Real Estate	Eliminations	Total
Support and revenue											
Contributions	\$ -	\$ 3,440,558	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,440,558
Contributions from affiliates	31,562,569	100,000	800,084	-	66,500	-	-	152,170	-	(32,681,323)	-
Other fee income	930,852	-	468,346	-	-	-	-	-	-	(1,379,472)	19,726
Management fee income	-	-	1,384,893	-	-	-	-	-	-	(1,384,893)	-
Development fee income	-	-	-	4,397,015	-	-	-	-	-	-	4,397,015
Grants	-	-	447,822	412,364	-	-	-	-	414,750	(447,822)	827,114
Rental income	-	-	-	-	-	-	-	846,483	30,325,062	-	31,171,545
Interest income - notes	356,182	-	-	400,519	104,311	-	368,258	87,130	-	(1,316,400)	-
Program service revenue	-	-	1,212,414	-	-	-	-	-	-	-	1,212,414
Other	46,417	-	142,574	63,198	-	70,648	-	87,062	262,494	-	672,393
Total support and revenue	32,896,020	3,540,558	4,456,133	5,273,096	170,811	70,648	368,258	1,172,845	31,002,306	(37,209,910)	41,740,765
Expenses											
Program services	1,098,849	546,100	2,684,464	29,697	1,023,932	412	9,256	726,708	21,367,198	(2,288,752)	25,197,864
Supporting services											
Management and general	798,507	401,952	1,429,918	13,026	73,651	-	-	-	-	-	2,717,054
Fundraising	-	348,212	-	-	-	-	-	-	-	-	348,212
Total supporting services	798,507	750,164	1,429,918	13,026	73,651	-	-	-	-	-	3,065,266
Total operating expenses	1,897,356	1,296,264	4,114,382	42,723	1,097,583	412	9,256	726,708	21,367,198	(2,288,752)	28,263,130
Non-operating activities											
(loss) gain on investments - net	(462,477)	(4,592)	(86,016)	(135,059)	(311,938)	-	-	-	-	-	(1,000,082)
Interest and dividend income	312,820	665	34,259	45,391	120,549	58,107	17,367	13,314	-	-	602,472
Other financial expenses	-	-	-	-	-	(1,700)	-	(310,114)	(313,422)	-	(625,236)
Gain on sale of property and equipment	-	-	-	-	-	-	-	31,469,094	-	(31,242,002)	227,092
Entity expenses	(798,616)	(382,707)	(100,000)	-	-	(3,400,000)	(3,500,000)	(24,500,000)	(2,170,122)	34,841,445	(10,000)
Total non-operating activities	(948,273)	(386,634)	(151,757)	(89,668)	(191,389)	(3,343,593)	(3,482,633)	6,672,294	(2,483,544)	3,599,443	(805,754)
Depreciation and amortization expense	-	-	23,063	-	-	-	-	70,185	5,538,201	(71,047)	5,560,402
Change in net assets	\$ 30,050,391	\$ 1,857,660	\$ 166,931	\$ 5,140,705	\$ (1,118,161)	\$ (3,273,357)	\$ (3,123,631)	\$ 7,048,246	\$ 1,613,363	\$ (31,250,668)	\$ 7,111,479

See Independent Auditor's Report.

**JCHE, Inc. and Affiliates
(DBA 2Life Communities, Inc.)**

**Consolidating Schedules of Financial Position - Real Estate Entities
December 31, 2018**

	Real Estate							Total
	JCHE Leventhal, LP	JCHE Ulin, Inc.	JCHE Genesis, LLC	JCHE Golda, LP	JCHE Coleman, LP	JCHE Framingham, LP	JCHE 132 CHA, LLC	
Assets								
Current assets								
Cash and cash equivalents	\$ 2,112,605	\$ 1,288,484	\$ 6,567,444	\$ 3,682,552	\$ 644,358	\$ 422,283	\$ 1,344	\$ 14,719,070
Accounts receivable, net	47,055	417,745	247,608	27,502	44,682	54,352	-	838,944
Due from affiliates	-	837	12,366	-	3,000	-	-	16,203
Prepaid expenses and deposits	53,593	132,949	41,929	43,820	43,193	77,300	-	392,784
Total current assets	<u>2,213,253</u>	<u>1,840,015</u>	<u>6,869,347</u>	<u>3,753,874</u>	<u>735,233</u>	<u>553,935</u>	<u>1,344</u>	<u>15,967,001</u>
Other assets								
Security deposits	55,537	55,736	95,047	68,594	38,045	249,208	2,501	564,668
Escrows and reserves	957,050	1,377,377	1,552,661	698,440	1,251,394	2,136,066	-	7,972,988
Other assets	-	-	12,656	-	-	-	-	12,656
Total other assets	<u>1,012,587</u>	<u>1,433,113</u>	<u>1,660,364</u>	<u>767,034</u>	<u>1,289,439</u>	<u>2,385,274</u>	<u>2,501</u>	<u>8,550,312</u>
Deferred fees, net of accumulated amortization	-	-	77,144	127,889	-	47,272	-	252,305
Property and equipment								
Land	1,202,200	4,352,386	972,223	5,905,802	409,756	2,091,705	-	14,934,072
Buildings and improvements	31,126,344	40,441,063	52,323,876	58,268,066	3,045,091	35,223,407	-	220,427,847
Furniture and fixtures	758,954	427,439	1,056,971	408,503	-	1,361,893	-	4,013,760
Construction in process	-	-	-	-	-	-	19,588,200	19,588,200
Accumulated depreciation	(10,259,665)	(4,580,887)	(1,876,601)	(1,746,665)	(64,749)	(7,787,094)	-	(26,315,661)
Total property and equipment	<u>22,827,833</u>	<u>40,640,001</u>	<u>52,476,469</u>	<u>62,835,706</u>	<u>3,390,098</u>	<u>30,889,911</u>	<u>19,588,200</u>	<u>232,648,218</u>
Total assets	<u>\$ 26,053,673</u>	<u>\$ 43,913,129</u>	<u>\$ 61,083,324</u>	<u>\$ 67,484,503</u>	<u>\$ 5,414,770</u>	<u>\$ 33,876,392</u>	<u>\$ 19,592,045</u>	<u>\$ 257,417,836</u>

**JCHE, Inc. and Affiliates
(DBA 2Life Communities, Inc.)**

**Consolidating Schedules of Financial Position - Real Estate Entities
December 31, 2018**

	Real Estate							
	JCHE Leventhal, LP	JCHE Ulin, Inc.	JCHE Genesis, LLC	JCHE Golda, LP	JCHE Coleman, LP	JCHE Framingham, LP	JCHE 132 CHA, LLC	Total
Liabilities and Net Assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 159,916	\$ 195,057	\$ 149,687	\$ 168,313	\$ 267,917	\$ 160,707	\$ -	\$ 1,101,597
Accounts payable - construction	293,023	-	215,380	3,443,306	-	-	3,394,255	7,345,964
Accrued interest payable - current	51,119	134,145	190,810	122,033	80,490	65,860	70,373	714,830
Due to affiliates	26,018	215,371	11,166	132,208	30,324	35,776	20,106	470,969
Accrued asset management fee	-	-	5,000	5,000	-	-	-	10,000
Deferred revenue	40,339	17,530	53,564	10,266	21,194	1,691	-	144,584
Notes payable - current maturities	177,039	537,988	1,511,999	903,350	370,467	109,346	8,506,047	12,116,236
Total current liabilities	747,454	1,100,091	2,137,606	4,784,476	770,392	373,380	11,990,781	21,904,180
Long-term liabilities								
Security deposit payable	55,537	55,663	65,119	68,584	38,044	249,208	-	532,155
Accrued interest payable	880,775	4,462	-	643,113	47,022	894,925	-	2,470,297
Developer fee payable	-	-	2,325,000	2,769,000	-	1,679,389	1,501,015	8,274,404
Notes payable, net	11,152,210	44,179,159	54,133,981	34,984,948	29,155,312	20,001,199	4,982,500	198,589,309
Notes payable - related party	4,324,515	6,427,256	96,113	14,304,451	2,243,126	12,144,000	200,000	39,739,461
Total long-term liabilities	16,413,037	50,666,540	56,620,213	52,770,096	31,483,504	34,968,721	6,683,515	249,605,626
Net assets without donor restrictions	8,893,182	(7,853,502)	2,325,505	9,929,931	(26,839,126)	(1,465,709)	917,749	(14,091,970)
Total liabilities and net assets	\$ 26,053,673	\$ 43,913,129	\$ 61,083,324	\$ 67,484,503	\$ 5,414,770	\$ 33,876,392	\$ 19,592,045	\$ 257,417,836

See Independent Auditor's Report.

**JCHE, Inc. and Affiliates
(DBA 2Life Communities, Inc.)**

**Consolidating Schedules of Activities - Real Estate Entities
Year Ended December 31, 2018**

	Real Estate							
	JCHE Leventhal, LP	JCHE Ulin, Inc.	JCHE Genesis, LLC	JCHE Golda, LP	JCHE Coleman, LP	JCHE Framingham, LP	JCHE 132 CHA, LLC	Total
Support and revenue								
Grants	\$ -	\$ 414,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 414,750
Rental income, net of vacancies	8,455,144	6,435,039	5,586,685	4,248,411	2,577,449	3,022,334	-	30,325,062
Other	75,650	11,976	63,062	23,548	14,401	73,856	1	262,494
Total support and revenue	<u>8,530,794</u>	<u>6,861,765</u>	<u>5,649,747</u>	<u>4,271,959</u>	<u>2,591,850</u>	<u>3,096,190</u>	<u>1</u>	<u>31,002,306</u>
Expenses								
Program services	4,083,674	4,323,192	4,649,076	3,289,996	2,235,421	2,703,587	82,252	21,367,198
Non-operating activities								
Other financial expenses	(8,079)	(117,471)	(4,945)	(5,570)	(42,604)	(134,753)	-	(313,422)
Entity expenses	(1,331,371)	(356,182)	(5,000)	(326,236)	(47,022)	(104,311)	-	(2,170,122)
Total non-operating activities	<u>(1,339,450)</u>	<u>(473,653)</u>	<u>(9,945)</u>	<u>(331,806)</u>	<u>(89,626)</u>	<u>(239,064)</u>	<u>-</u>	<u>(2,483,544)</u>
Depreciation and amortization expense	748,276	1,055,972	1,273,878	1,344,425	64,749	1,050,901	-	5,538,201
Change in net assets	<u>\$ 2,359,394</u>	<u>\$ 1,008,948</u>	<u>\$ (283,152)</u>	<u>\$ (694,268)</u>	<u>\$ 202,054</u>	<u>\$ (897,362)</u>	<u>\$ (82,251)</u>	<u>\$ 1,613,363</u>

See Independent Auditor's Report.



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