

Walnut Street 40B – Organizational Structure

The Foxborough Housing Authority (FHA) selected the Walnut Street Joint Venture (WSJV) group of Affordable Housing and Services Collaborative (AHSC), Peabody Properties, Inc. (PPI) and Onyx Group (OG) through a competitive Request for Proposal (RFP) process in March of 2022.

To satisfy the requirements of the RFP and develop 200 units of needed senior housing for the Town of Foxborough, the WSJV identified a financing strategy that requires a multi-layered organizational structure to accommodate a phased development and construction approach in order to achieve the desired full build-out.

The financing strategy and organizational structure is therefore intended to maximize federal and state resources available for the development of affordable housing. Our approach is to provide a total of 200 one-bedroom units in three (3), separate three-story buildings over two (2) phases. Each building will be owned by a separate Limited Liability Company (LLC), which will be the applicant and borrower of three separate funding applications to the Massachusetts Department of Housing and Community Development (DHCD).

Phase 1 will include two (2) three story buildings that will yield 141 units. The future Phase 2 will include one (1) three-story building with the remaining 59 units.

In order to facilitate this financing approach, the WSJV has created the following organizational structure, which is illustrated in the attached organizational chart.

The FHA has entered into a *Development Agreement* with a single purpose Limited Liability Company, named **WSJV Developer LLC**. This entity is comprised of all three of the underlining principal entities of our joint venture (AHSC, PPI and OG). WSJV Developer LLC is the entity that is responsible to the FHA for executing the development approach articulated in our RFP response and selected by the FHA. WSJV Developer LLC will also be the developer entity for each of the LLC's that will own each building.

The FHA has also entered into an *Agreement to Enter into a Ground Lease* with a single purpose LLC, named **Walnut Master Ground Lessee LLC**. This entity is solely owned and controlled by AHSC, the 501c3 non-profit organization. This agreement provides us with the necessary site control to obtain permitting and financing for each of the three buildings. This is the entity will lease the entire 15.64 acres of land and is the applicant for the 40B comprehensive permit. Once permitting and financing are secured, Walnut Master Ground Lessee LLC will then sublease three separate portions of the site necessary to construct each building. Each sublease will be with the separate Owner/Borrower LLC's that will be the borrower and owner for the financing and construction of each building.

Walnut Street Phase One 9 LLC will be the Owner/Borrower entity of Building 1 in Phase One of the project. This entity will be the Borrower of construction and permanent debt, as well as receive equity from the sale of low-income tax credits associated specifically with the development and construction of building 1.

Walnut Street Phase One 4 LLC will be the Owner/Borrower entity of Building 2 in Phase One of the project. This entity will be the Borrower of construction and permanent debt, as well as receive equity from the sale of low-income tax credits associated specifically with the development and construction of building 2.

Walnut Street Phase Two 9 LLC will be the Owner/Borrower entity of Building 3 in Phase Two of the project. This entity will be the Borrower of construction and permanent debt, as well as receive equity from the sale of low-income tax credits associated specifically with the development and construction of building 3.

Walnut Street Phase One 9 Manager LLC will be the Managing Member of the building 1 Owner/Borrower entity, Walnut Street Phase One 9 LLC. Managing Member is responsible for the obligations of the Owner/Borrower to its lenders, investors, and compliance with its lease.

Walnut Street Phase One 4 Manager LLC will be the Managing Member of the building 2 Owner/Borrower entity, Walnut Street Phase One 4 LLC. Managing Member is responsible for the obligations of the Owner/Borrower to its lenders, investors, and compliance with its lease.

Walnut Street Phase Two 9 Manager LLC will be the Managing Member of the building 3 Owner/Borrower entity, Walnut Street Phase Two 9 LLC. Managing Member is responsible for the obligations of the Owner/Borrower to its lenders, investors, and compliance with its lease.

WSJV Sole Member LLC is a joint venture entity of Affordable Housing and Services Collaborative, Peabody Properties, Inc. and Onyx Group that will be the sole member of each managing member entity for each building.