

## MassHousing Commonwealth Builder (CWB) Program Guidelines

November 2025

CommonWealth Builder (“CWB”) is MassHousing’s moderate-income homeownership production program. Under CWB, MassHousing provides forgivable subordinate construction financing to eligible projects that provide deed-restricted affordable homeownership units (“Restricted CWB Units”).

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<b>A. Geographic Eligibility</b>	
Eligible Locations	<p>Projects must be located in any of:</p> <ul style="list-style-type: none"> <li>a. Boston</li> <li>b. Gateway Cities <ul style="list-style-type: none"> <li>• Attleboro, Barnstable, Brockton, Chelsea, Chicopee, Everett, Fall River, Fitchburg, Haverhill, Holyoke, Lawrence, Leominster, Lowell, Lynn, Malden, Methuen, New Bedford, Peabody, Pittsfield, Quincy, Revere, Salem, Springfield, Taunton, Westfield, Worcester</li> </ul> </li> <li>c. Disproportionately Impacted Communities <ul style="list-style-type: none"> <li>• Framingham, Randolph, <i>as well as municipalities listed in a. and b. above</i></li> </ul> </li> <li>d. Qualified Census Tracts in other cities and towns</li> </ul>

<b>B. Team Eligibility</b>	
	<p>The project team (the “Sponsor”) must meet the following requirements:</p> <ul style="list-style-type: none"> <li>a. Have a history of developing at least one homeownership project of similar scale,</li> <li>b. Be in good standing with MassHousing and other state agencies,</li> <li>c. Demonstrate financial capacity, including, but not limited to, a track record of securing financing for comparable developments, and</li> </ul>

	d. Include staff or contractor with substantial and successful experience in managing all Affirmative Fair Housing Marketing Plan (“AFHMP”) requirements.
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<b>C. Project Eligibility</b>	
Project Type	<p>Production (New Construction or Adaptive Reuse)</p> <p>In addition to the Restricted CWB Units, eligible projects may include market homeownership units, restricted and/or market rental units, and/or ancillary commercial units. To ensure the availability of mortgage financing for homebuyers, unless otherwise approved by MassHousing, no more than 35% of the floor area of any building that includes Restricted CWB Units may be occupied by rental units or commercial space.</p> <p>Restricted CWB Units must be dispersed throughout the Project, across unit types, and include comparable unit finishes to market units, if applicable.</p>
Development Type	<p>Fee-simple single-family homes or condominiums with professional management. Unless otherwise approved by MassHousing on a case by case basis, condominium projects must be located on one more contiguous parcels.</p>
Unit Count	<p>In general, eligible projects must have at least ten (10) Restricted CWB units.</p>
Physical Accessibility	<p>All projects must comply with applicable federal, state and local accessibility codes, including the Commonwealth of Massachusetts Architectural Access Board Regulations 521 CMR 1.00 et seq. (the “MAAB Regulations”) and, to the extent applicable, the design and construction requirements of Title III of the Americans with Disability Act, the Fair Housing Act, and Section 504 of the of the Rehabilitation Act of 1973.</p> <p>Additionally, regardless of code requirements, at least one (1) Restricted CWB Unit in each project must meet the accessibility requirements of a “Group 2A” dwelling unit under the MAAB Regulations.</p>
Readiness to Proceed	<p>Sponsor must demonstrate a high level of readiness for construction and submit all application materials (listed in Section H) including a term sheet from a construction lender.</p> <p>Applications will be accepted and reviewed on a competitive basis as described in Section I below.</p>

D. Unit Eligibility	
Age Restriction	None permitted.
Income Restriction	Restriction tiers permitted from 70 to 120% of AMI; generally, no higher than the income level at which comparable market units are affordable (assuming 30% of income spent on housing). For units restricted at 80% of AMI, the income limit will be as determined annually by HUD as the “low income” limit. For all other tiers, income limits will be as published annually by MassHousing in connection with its Workforce Housing Program.
Overlapping Restrictions	<p>Unless otherwise approved by MassHousing, Restricted CWB Units may not be subject to additional affordability restrictions imposed by ground leases, deed restrictions or other subsidy programs.</p> <p>All units in a project restricted at the same affordability tier (e.g., 80% of AMI) must be restricted by the same form of deed restriction.</p>
Homebuyer Requirements	<p>Restricted CWB Units must be sold to first-time homebuyers as defined below.</p> <p><i>First-time homebuyer</i> means an individual or household, of which no household member has had an ownership interest in a principal residence at any time during the three (3)-year period prior to the date of qualification as an eligible purchaser, unless such ownership was by (i) any individual who is a displaced homemaker (as may be defined by the Massachusetts Executive Office of Housing and Livable Communities) (ii) any individual who is a single-parent who has only owned a house with a former spouse while married or (iii) any individual who has owned a dwelling unit whose structure is not permanently affixed to a permanent foundation in accordance with local or other applicable regulations or is not in compliance with applicable building codes, or other applicable codes, and cannot be brought into compliance with the codes for less than the cost of constructing a permanent structure.</p> <p>At the time eligibility is determined, homebuyers must have assets that comply with the following limits:</p> <ol style="list-style-type: none"> <li>1) less than \$155,000 as of September 2025, which is adjusted annually in subsequent years for inflation using the CPI-W index; and</li> <li>2) excluding all IRS-recognized retirement accounts, up to \$250,000 total.</li> </ol> <p>Recipients of HUD assistance are exempted from the CWB asset limit.</p> <p>Additionally, homebuyers must (1) obtain a fully amortizing, fixed-rate, 30-year mortgage loan that meets CommonWeath Builder homebuyer financing requirements, (2) provide a minimum 3% down payment from their own funds or an approved Down Payment Assistance program, (3) pay closing costs, and (4) complete homeownership counseling by the time of purchase.</p>

	<p>These Homebuyer Requirements shall apply to all CWB Projects, including those committed and funded under prior versions of the CWB Guidelines.</p>
Homebuyer Preferences	<p>First, preference will be made for homebuyers that are rightsized households based on the targeted AMI tier and the unit size. <i>Rightsized Household</i> means a household with a number of members equal to or more than the number of bedrooms in a given unit plus one.</p> <p>Second, preference will be made for homebuyers that are <i>Disproportionately Impacted Households</i> defined as: A household that (i) has an annual income at or below 80% of area median income for the location of the project; or (ii) currently resides in a “qualified census tract” (as designated by HUD); or (iii) currently resides in one of the following towns or cities: Boston, Attleboro, Barnstable, Brockton, Chelsea, Chicopee, Everett, Fall River, Fitchburg, Haverhill, Holyoke, Lawrence, Leominster, Lowell, Lynn, Malden, Methuen, New Bedford, Peabody, Pittsfield, Quincy, Revere, Salem, Springfield, Taunton, Westfield, Worcester, Framingham, or Randolph.</p> <p>Other preferences may be approved by MassHousing to the extent that such preference is allowable under applicable law and is subsequent to the preferences listed above. Local preferences must comply with the Executive Office of Housing and Livable Communities’ Affirmative Fair Housing Marketing and Resident Selection Plan Guidelines.</p> <p>These preferences shall apply to all new CWB Projects and the resale of all Restricted CWB Units in projects committed and funded under prior versions of the CWB Guidelines.</p>
Subsidized Housing Inventory Eligibility	<p>Restricted CWB Units generally do not qualify for inclusion in the Subsidized Housing Inventory (SHI) maintained by the Executive Office of Housing and Livable Communities. If required by a local inclusionary zoning ordinance and for projects relying on Commonwealth Builder as the subsidy program for 40B comprehensive permit eligibility, MassHousing will consider using a modified deed rider for up to 25% of the Restricted CWB Units, provided they comprise all units restricted at a given affordability tier.</p>

<b>E. Commonwealth Builder Funding Levels and Requirements</b>	
State Subsidy	In general, Projects may not rely on any other state subsidies or resources, such as subordinate financing under the Affordable Housing Trust or other Massachusetts Executive Office of Housing and Livable Communities loan programs.
Local Subsidy	Commitment of a local subsidy and/or other development support in some form (including non-monetary) from the applicable municipality is required.
CommonWealth Builder Funding Amounts	<p>All selected projects will be eligible to receive an award of “CWB Formula Funds” on the basis of the relationship between total development cost and average restricted sale price.</p> <p>CWB Formula Funds for each CWB Restricted Unit at 70-100% of AMI shall be no more than the lesser of:</p> <ol style="list-style-type: none"> <li>\$250,000;</li> <li>The average per unit total development cost (“TDC”) of Restricted CWB Units (inclusive of permissible developer fee/profit and overhead, and marketing and brokerage costs) minus the average sales proceeds from the Restricted CWB Units at 70-100% of AMI.</li> </ol> <p>CWB Formula Funds for each CWB Restricted Unit at 110-120% of AMI shall be no more than the lesser of:</p> <ol style="list-style-type: none"> <li>\$150,000;</li> <li>The average per unit TDC of Restricted CWB Units (inclusive of permissible developer fee/profit and overhead, and marketing and brokerage costs) minus the average sales proceeds from the Restricted CWB Units at 110-120% of AMI.</li> </ol> <p>Projects requiring extensive soil remediation, demolition or site preparation are also eligible to receive CWB site conditions assistance (“SCA Funds”). See Section H (Application Components) below for SCA Funds documentation requirements.</p> <p>MassHousing may award SCA Funds in the amount of estimated extraordinary site work costs for a project, up to \$2,000,000 per project.</p> <p>For projects in the City of Boston that are undertaken pursuant to the joint initiative MassHousing has established with the Mayor’s Office of Housing (“MOH”), and other projects for which MassHousing and another project funder have agreed to coordinate on construction funding and administration, MassHousing will determine per unit CWB funding allocations in conjunction with MOH or such other project funder.</p>
Per Project Commonwealth Builder Funding Limit	<p>No project may receive more than \$10,000,000 in total CWB Funds, inclusive of CWB Formula Funds and SCA Funds.</p> <p>For projects in the City of Boston that are undertaken pursuant to the joint initiative with MOH, and other projects for which MassHousing and another project funder have agreed to coordinate on construction funding and administration, MassHousing will</p>

	determine per project CWB funding allocations in conjunction with MOH or such other project funder.
Delivery of CommonWealth Builder Funds	<p>CWB Funds will generally be provided as a forgivable subordinate construction loan to a single-purpose, sole-asset entity which is created to undertake the project (the “Developer”) and controlled by the Sponsor.</p> <p>Generally, up to 90% of the CWB Funds will be available for requisition by the Developer during the construction period. The remaining CWB Funds will be disbursed upon approval by MassHousing of a final development budget following project completion and the sale of all units.</p> <p>Generally, MassHousing will fund, in the aggregate, up to 90% of each requisition by the Developer during the construction period with at least 10% to be funded by the senior construction lender.</p> <p>In certain instances, including projects in the City of Boston undertaken pursuant to the joint initiative with MOH, MassHousing may provide funding for projects through the local municipality or other project funder who has agreed to coordinate with MassHousing on construction funding and administration.</p> <p>The structure and terms of such funding will be determined by MassHousing at the time of CWB funding commitment.</p>
Construction Monitoring	MassHousing, the Developer, and, at their option, the senior construction lender, shall engage a lender advisor acceptable to MassHousing, at the Developer’s sole cost, to provide cost review and construction monitoring services.

<b>F. Developer Fee / Profit and Overhead</b>	
Developer Fee and Overhead	<p>The maximum permitted developer fee and overhead will be set at the award of CWB funds according to the following formula:</p> <ol style="list-style-type: none"> <li>For projects with 25 or more total units (“Large Projects”), total developer fee and overhead may not exceed 10% of the Total Development Cost (TDC) (excluding overhead and developer fee) in the development budget approved by MassHousing at such time (the “Awarded TDC”); and</li> <li>For projects with fewer than 25 units (“Small Projects”), total developer fee and overhead may not exceed 12% of the Awarded TDC (excluding overhead and developer fee).</li> </ol> <p>The maximum permitted developer fee and overhead includes all profits, distributions, fees and other payments to members and managers of the Developer and any affiliates thereof, and any payments to third-party development consultants, in each case, unless otherwise approved by MassHousing. General contractor and architectural services provided by affiliates of the Developer or Sponsor shall be reviewed on a case-by-case basis. Any changes to developer fee and overhead based on increases to Total Development Costs (the “Final TDC”) shall be subject to MassHousing’s review and approval.</p> <p>Repayment of Sponsor or investor equity is not counted in the calculation of developer fee. Returns on Sponsor or investor equity are counted in the developer fee and overhead calculation.</p>
Cost Savings and Excess Sales Proceeds	<p>If the actual sales proceeds realized are higher than projected and are not offset by an increase in development costs any such cost savings and/or excess sales proceeds shall be applied as follows:</p> <ol style="list-style-type: none"> <li>First, to increasing developer fee and overhead to 10% of the Awarded TDC per unit for Large Projects or 12% of the Awarded TDC for Small Projects;</li> <li>Second, to repaying or reducing the amount of Site Condition Assistance funds, <i>if applicable</i>; and</li> <li>Third, to repaying or reducing the amount of CWB Formula Funds.</li> </ol> <p>For projects in the City of Boston that are undertaken pursuant to the joint initiative with MOH, and other projects for which MassHousing and another project funder have agreed to coordinate on construction funding and administration, excess funds may be subject to additional restrictions.</p>

### G.Affordability Restrictions and Requirements for Restricted CWB Units

Documentation	<p>Except as provided below, restrictions on homeowners who purchase a Restricted CWB Unit will be set forth in one or more MassHousing form deed rider(s) and a non-monetary mortgage securing the restriction obligations or similar document(s) recorded at the closing of unit sale.</p> <p>For projects in the City of Boston that are undertaken pursuant to the joint initiative with MOH, and other projects for which MassHousing and another project funder have agreed to coordinate on construction funding and administration, the restrictions on homeowners who purchase a Restricted CWB Unit will be set forth in MOH's form of Affordable Homeownership Deed Rider and related documents or such other funder's form of restriction, respectively, which may have different terms from those below.</p>	
Restriction Term	30 years from initial sale to an eligible homebuyer (including 15 year affordability term and 15 year shared appreciation term)	
Appreciation Allowance	5% annually (applicable through year 15 of Restriction Term)	
Capital Improvement Credit	Cost of approved capital improvements, less depreciation. Maximum of 3% of initial purchase price per year of ownership. (Applicable through year 15 of Restriction Term.)	
Family Transfers	By-right transfers during Restriction Term to immediate family provided they are owner occupants. Restriction Term will remain in place.	
Initial Sale Price Restrictions	Sales prices will be set by the Developer at levels that do not exceed the maximum determined by MassHousing to be affordable to eligible homebuyers within the targeted affordability requirements. Marketing of the Restricted CWB Units must commence within sixty (60) days of receipt of MassHousing-determined maximum sales prices.	
Resale Price Restrictions	<p>Through year 15 of Restriction Term, lesser of:</p> <ul style="list-style-type: none"> <li>a. Price agreed to by buyer;</li> <li>b. Initial purchase price + formula appreciation + capital improvement credit; or</li> <li>c. Price affordable to buyer at restricted AMI tier set at Initial Sale.</li> </ul>	<p>During years 16-30 of Restriction Term:</p> <p>Unrestricted (but subject to appreciation sharing; see below)</p>



Buyer Restrictions	<p>Through year 15 of Restriction Term:</p> <p>Income-qualified first-time homebuyer, subject to a purchase option held by MassHousing and the municipality.</p> <p>Preferences will be made for homebuyers from Disproportionately Impacted Households.</p>	<p>Years 16-30 of Restriction Term:</p> <p>Unrestricted; subject to purchase option held by MassHousing and the municipality.</p>
Appreciation Sharing	<p>Through year 15 of Restriction Term:</p> <p>None.</p>	<p>Years 16-30 of Restriction Term:</p> <p>50% of appreciation above permissible year 15 sale price is shared among public funders.</p>
Restriction Term Reset	<p>Through Year 15 of Restriction Term:</p> <p>Restriction Term only resets if MassHousing or municipality exercises purchase option and subjects the unit to new deed rider.</p>	<p>Years 16-30 of Restriction Term:</p> <p>Restriction Term only resets if MassHousing or municipality exercises purchase option and subjects the unit to new deed rider.</p>

<b>H. Application Components</b>	
1. CWB Application Excel & Executive Office of Housing and Livable Communities (EOHLC) Sales Price Tool	Templates available on MassHousing.com or from MassHousing staff.
2. Site Information and Photos	Site location, map and photos.
3. Environmental Information – Environmental Site Assessments (ESA) Phase I	<p>Provide an Environmental Site Assessments (“ESA”) Phase I in compliance with American Society for Testing and Materials qualification standard (ASTM) E1527-21, conducted by a qualified Environmental Professional. Reports must identify recognized environmental conditions (“RECs”), historical uses, environmental records review and recommend further action if applicable.</p> <p>At time of application, developer must upload Phase I ESA report dated within 6 months. In addition, a Phase I ESA report dated within 6 months is required for closing. The Phase I ESA should explicitly incorporate a vapor encroachment screen performed in accordance with ASTM E2500-15. Provide copies of previous Phase I ESAs as well as any additional subsurface investigations.</p>
4. Evidence of Zoning/Permitting Approvals	Provide zoning or permitting approvals, or if approvals are not available, provide narrative documenting status/timeline of approvals required under c. 40B, Boston Planning Development Agency (BPDA), etc. Please note when zoning approvals expire and be aware if extensions will be required.
5. Evidence of Site Control and Acquisition Costs	Provide evidence of site control (Purchase & Sale agreement, deed, etc.) If there is a developer designation from housing authority or municipality, please provide. Acquisition costs carried on the development budget must not exceed the purchase price of the land and improvements in the last arm’s length transaction, if any, plus reasonable carrying costs.
6. Affirmative Fair Housing Marketing Plan (AFHMP)	Plan should include CWB Disproportionately Impacted Households preference as listed in CWB Guidelines, accurate income and asset limits, and should be completed by experienced lottery agent.
7. Community Engagement Narrative	Narrative of strategies to partner with trusted, community based organizations (Community Development Corporations (“CDC”), interfaith, social services, etc.) to engage with and prepare qualified potential families and individuals who have faced and continue to face disproportionate obstacles for this homeownership opportunity. This should not be a copy of the AFHMP. It should identify the plan for meaningful community collaborations to identify prepared, qualified buyers for whom Commonwealth Builder was designed to serve.

8. Evidence of Municipal / Local Support	Documentation of local subsidy and/or other development support in some form (including non-monetary).
9. Market Study	MassHousing will review the third-party Appraisal and/or Market Study submission for general professional practice standards Uniform Standards of Professional Appraisal Practice (“USPAP”) for appraisals & National Council of Housing Market Analysts (“NCHMA”) for market studies, with a focus on the development, support, and conclusions of individual unit values/pricing, unit absorption, and marketability (supply/demand) relative to the unit and affordability mix of the CWB proposal. Further, the submission must be current, reflect the unit/affordability mix of the CWB proposal, and take into consideration the unit configuration/finishes, as well as unit and site (including parking type) amenities. The report must be completed by an accredited appraiser or market study professional. MassHousing will assess current unit pricing, absorption, and marketability (supply/demand) of the CWB proposal.
10. Construction Lender Term Sheet	Current letter from construction lender reflecting detailed terms and conditions for issuing construction financing consistent with development plan. If this is not available, please explain why.
11. Other Financing Commitments	Summarize the current status of all other sources of funding (including all public funds), including information on: (a) the source of financing; (b) the amount; and (c) the current status of the financing commitment. Please attach commitment letters, term sheets or letters of interest from each of the sources identified, verifying the commitment of funds, or indicating the prospects for securing such a commitment, and the expected time frame for decisions on commitments.
12. Sponsor Profile	Provide a resume for the Sponsor(s). The resume should also include a list and description of completed affordable housing developments undertaken by the sponsor, as well as other relevant experience.
13. Evidence of Sponsor Financial Capacity	Exhibit 9 of OneStop, Financial Statements, audited if available
14. Sponsor Certifications and Disclosures	Exhibit 8.9 of OneStop, Schedule of Real Estate Holdings, Certifications and Disclosures
15. Developer Entity Organizational Chart and Organizational Documents	Provide Developer/Sponsor entity organizational chart and organizational documents, if available, otherwise provide description of business relationship among individuals, partners, etc. Provide a list of related party services provided by Developer/Sponsor or affiliates and detail on payment amounts.
16. Consultant Profile, if applicable	Provide resume of consultant and description of role(s) in development

17. Architect Profile	Provide a resume for the architectural/design firm. Include the legal name of the corporation and the names of principal officers and/ or partners. The resume should also include a list and description of completed affordable housing developments undertaken by the firm, as well as other relevant experience.
18. Status of Contractor Selection and Construction Pricing	Narrative description of status of contractor selection, bidding and timeline for construction pricing if not yet achieved
19. Contractor Profile	Exhibit 8.11 of OneStop, general contractor's Profile, and resume
20. Bid Set Design-Level Drawings and Specifications, inclusive of accessibility, fire protection and MEP narrative.	Provide the following bid set drawings signed by a registered architect, engineer, contractor, or cost estimator (as appropriate): detailed cover sheet, detailed site plan, detailed utilities plan, detailed survey, architectural drawings (including at least one Group 2A unit), structural drawings, mechanical, electrical, plumbing/fire protection drawings. Provide bid set specifications/project manual.
21. Site Conditions Assistance Funds documentation, if requested	Provide narrative description of qualified site conditions assistance costs, including extraordinary costs associated with uniqueness of site, diverse topography, utility coordination, subsurface excavation, soil backfill, soil and structural improvements (e.g., rammed aggregate piers or other structural systems), soil disposition costs, proportionate share of general conditions and contractor overhead attributable to eligible SCA scope (not including profit). In addition, provide detailed Contractor pricing or 3 third party quotes for each identified item in narrative.
22. Geotechnical/Foundation Engineering Report	Required for new construction.
23. Management Agent Profile, if condominium	Include organizational structure and a description of all homeownership developments currently managed, both assisted and conventional, including location, number of units and bedroom mix.
24. Credit Release Form	Exhibit 8.10 of OneStop, Developer's Credit Reference Authorization
25. Project Notification Form	Complete the Massachusetts Historical Commission (MHC) Project Notification Form (PNF) template, send to MHC and submit PNF with MHC determination or concurrence. CWB financing should be accurately reflected. Project name and address on PNF should be consistent with CWB information. Provide copies of any prior correspondence with MHC including previously submitted PNFs. Include USGS map with project site indicated and all referenced attachments (i.e. architectural drawings, etc).
26. Homebuyer Mortgage Lenders	Provide a plan describing your engagement with homeownership lenders and their financing products (including loan terms, interest rates, and annual percentage rates (APRs) for this development and confirm your sales prices reflect that engagement.
27. Application Fee	An initial non-refundable application fee of \$1,000 shall be due at application submission. For awarded projects, an additional

	non-refundable fee of \$6,500 shall be due at closing. Upload copy of CWB application invoice.
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<b>I. Review and Approval Process</b>	
Application Deadline	Applicants must submit a complete application (components listed in Section H, above) by the date stated in the Notice of Funding Availability in a competitive funding round.
Application Portal	Applications must be submitted through the MassHousing online portal. A link to the portal will be available on MassHousing's CWB landing page after decisions on pre-application submissions are finalized..
Application Review & Evaluation	<p>Application components are reviewed by financial and technical staff in the Strategic Community Investments, Multifamily and Planning and Programs divisions of MassHousing.</p> <p>Evaluation criteria include:</p> <ol style="list-style-type: none"> <li>1. Compliance with CWB Guidelines</li> <li>2. Alignment with CWB Project Selection Preferences</li> <li>3. Readiness to Proceed and Development Schedule</li> <li>4. Financial Feasibility of the Project</li> <li>5. Capacity and Experience of Development Team</li> <li>6. Project Marketability</li> <li>7. Local Support</li> <li>8. Construction Scope</li> </ol> <p>Exhibit 1 (CWB Application Evaluation Criteria) provides specific criteria for project review.</p> <p>A Program Advisory Committee, which includes MassHousing staff, will review project proposals recommended by program staff for funding, including the underwriting analysis and funding recommendations of Agency staff, and recommend the developments that will receive program funding.</p>
Approval	Final approval of all recipients shall be by the Chief Executive Officer or their designee. The Chief Executive Officer or their designee, in consultation with the General Counsel, may waive certain CWB program guidelines for individual CWB projects due to extraordinary project-specific or market conditions, subject to the requirements of MassHousing's source of funds.
Geographic Equity	Funds shall be distributed in a manner that promotes geographic equity.
Preferences	<p>The following types of projects shall receive preference:</p> <ul style="list-style-type: none"> <li>• Projects requesting under \$5 million in CWB Funds, under \$250,000 in CWB Funds per CWB unit, and total development costs per unit for all Project units within a competitive range under \$599,999;</li> <li>• Projects that include clean energy and sustainability features, such as electric heat pumps, net-zero developments, Passive House or equivalent energy efficiency certification and all-electric buildings; and</li> <li>• Projects with units targeted at 70% of AMI.</li> </ul>

<b>J. Documentation and Closing Requirements</b>	
Commitment	<p>Commitment of CWB Formula Funds and SCA Funds shall be documented by MassHousing as follows:</p> <ol style="list-style-type: none"> <li>Where project funding will be provided as a forgivable subordinate construction loan directly to the Developer, MassHousing will issue a commitment to the Developer following approval of funding and prior to execution of a loan agreement.</li> <li>Where MassHousing and the local municipality or other project funder have agreed to coordinate on construction funding and administration (including the joint initiative with MOH in the City of Boston), commitment will typically be evidenced in the term sheet among MassHousing, the municipality or other project funder, and the Developer.</li> </ol>
Loan Agreement and Developer Obligations	<p>For forgivable subordinate construction loans funded by MassHousing directly to the Developer, the Developer's obligations will be set forth in project documents as required by MassHousing, including a loan agreement, regulatory agreement, promissory note, mortgage, environmental indemnity agreement, and affordability monitoring services agreement.</p> <p>For forgivable subordinate construction loans to projects for which MassHousing and the local municipality or other project funder have agreed to coordinate on construction funding and administration (including the joint initiative with MOH in the City of Boston), the Developer's obligations will be set forth in the financing documents of such other funder.</p>
Other Closing Requirements	<p>At or prior to construction closing, Developers will be required to provide to MassHousing a lender's title insurance policy with respect to the loan of CWB Funds, a zoning endorsement or legal opinion as to the project's zoning compliance, a certification by the project architect as to compliance with local building codes and accessibility requirements, and American Land Title Association ("ALTA") survey, evidence of liability and builder's risk insurance coverage, and such other items as MassHousing program staff may determine.</p>

## **Exhibit 1: CWB Application Evaluation Criteria**

### **Threshold Criteria**

- a. Approved pre-application demonstrating readiness for closing and construction. Requirements include:
  - Evidence of site control for all parcels
  - Evidence of zoning compliance, including status of any approvals and expiration dates
  - Each source has either commitment letter, term sheet or Letter of Intent (LOI,) including municipal support
  - Balanced permanent Sources & Uses and sufficient construction sources to complete the construction phase consistent with CWB funding standards
  - A current Environmental Site Assessment (ESA) Phase I report
    - Geotechnical/Foundation Engineering report if new construction
  - For adaptive rehabilitation, Lead-Based Paint (LBP) and Asbestos-Containing Materials (ACM) reports (either identifying remediation needed or confirming compliance)
  - Advanced status of drawings and construction pricing
  - Project Notification Form and Massachusetts Historical Commission concurrence
- b. Completed Commonwealth Builder (CWB) Application, including all relevant attachments and paid application fee

### **Comparative Criteria**

- a. Compliance with CWB Guidelines, including meeting all Eligibility Criteria, Funding and Affordability Requirements.
- b. Alignment with CWB Project Selection Preferences, including under \$5 million in CWB Funds and under \$250,000 CWB subsidy/unit requested, total development costs per unit below \$599,999, project sustainability features, projects with units targeted at 70% of AMI, fully executed general contractor contract, and monetary local support.
- c. Readiness to Proceed, including zoning and permitting in place, environmental reports and plans for remediation as applicable, evidence of site control, contractor pricing, and Massachusetts Historical Commission Project Notification Form with MHC concurrence.
- d. Financial Feasibility of the Project, including committed sources and construction lender term sheet, balanced budget with feasible development schedule, and sales prices within programmatic maximums.
- e. Capacity and Experience of Development Team, including evidence of developer financial capacity and demonstrated experience, certifications and disclosures, organizational entity and business relationship information, related party services and payments, contractor and architect profiles, and management agent profile, if condominium.
- f. Project Marketability, including Affirmative Fair Housing Marketing Plan (AFHMP) consistent with CWB program, community engagement, and market study or appraisal prepared with general professional practice standards (Uniform Standards of Professional Appraisal Practice (USPAP) for appraisals & National Council of Housing Market Analysts (NCHMA) for market studies) for the development unit



affordability mix and sales prices supporting unit absorption consistent with development schedule and sufficient marketability (supply/demand).

- g. Local Support in the form of either local subsidy or non-monetary development support.
- h. Construction Scope with bid set plans and specifications with required accessibility.