

MassHousing Homeownership Tax Credit

Program Guidelines

March 2026

Homeownership Tax Credit (HTC) is MassHousing’s moderate-income homeownership production program. Under HTC, MassHousing provides state tax credits to eligible projects that produce deed-restricted affordable homeownership units (“Restricted HTC Units”).

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A. Geographic Eligibility

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| Eligible Locations | Projects may be located in any municipality in the Commonwealth |
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B. Team Eligibility

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| | The project team (the “Sponsor”) must meet the following requirements: a. Have a history of developing at least one homeownership project of similar scale, b. Be in good standing with MassHousing and other state agencies, c. Demonstrate financial capacity, including, but not limited to, a track record of securing financing for comparable developments, and d. Include staff or contractor with substantial and successful experience in managing all Affirmative Fair Housing Marketing Plan (“AFHMP”) requirements. |
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C. Project Eligibility

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| Project Type | Production (New Construction or Adaptive Reuse) that result in net new housing units |
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| | <p>In addition to the Restricted HTC Units, eligible projects may include market rate 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 HTC Units may be occupied by rental units or commercial space.</p> <p>Restricted HTC 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 contiguous parcels.</p> |
| Unit Count | <p>Eligible projects must have at least ten (10) for-sale units, with no less than 20% of the units designated as affordable to income-qualified first-time homebuyers.</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 HTC 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 | |
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| Age Restriction | None permitted. |
| Income Restriction | <p>Restricted HTC units must be sold to a qualified homebuyer earning up to 120% of Area Median Income.</p> <p>To find income limits for the area the development is located, visit the MassHousing Developer Library. The HTC program is following the income limits listed under the “2025 MassHousing Workforce (Opportunity Fund) Program Income & Rent Limits (w/ FY2026 FMRs) for all 20 Massachusetts Areas “.</p> |
| Overlapping Restrictions | Unless otherwise approved by MassHousing, HTC Restricted units may not be subject to additional affordability restrictions imposed by ground leases, deed restrictions or other subsidy programs. |
| Qualified Homebuyer Requirements | <p>Affordable units created through the Homeownership Tax Credit program will be sold only to qualified homebuyers as defined below.</p> <p>Each buyer must be a first-time homebuyer as defined by MassHousing.</p> <ol style="list-style-type: none"> 1. No household member has had an ownership interest in a principal residence at any time during the prior three (3) year period prior to the date of qualification as a qualified buyer under this program. Exceptions to this requirement include: <ol style="list-style-type: none"> i. Any individual who is considered a displaced homemaker (as defined by the G.L. C. 40B Guidelines). ii. Any individual who is a single parent who has only owned a home with a former spouse while married. iii. Any individual who has owned a dwelling unit whose structure is not permanently affixed to a permanent foundation in accordance with other 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 costs of constructing a permanent residence. 2. All units receiving a tax credit award must be occupied by the owners selected to purchase these units for the duration of their mortgage. This “owner occupant” requirement will extend beyond any refinancing that may occur. These units may not be rented at any time. 3. All prospective buyers must have incomes that do not exceed 120% of the area median income in which the property is located. MassHousing will publish the applicable income limits by area and update those limits from time to time. |

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| | <ol style="list-style-type: none"> 4. Prior to purchasing the home that has been supported by HTC resources, the prospective homebuyer must complete a homebuyer counseling course from a MassHousing-approved counseling agency. 5. Prospective homeowners must be able to qualify to obtain a fully amortizing, fixed-rate, 30-year mortgage loan. No adjustable-rate mortgage products may be used to purchase a HTC-supported home. Buyers must be able to provide a minimum of a 3% downpayment or qualify for a downpayment assistance program and pay any closing costs associated with the home. MassHousing will finance any buyers selected to purchase these homes if they meet the Agency’s underwriting standards, but prospective buyers are not required to use MassHousing financing. 6. At the time of their selection to purchase a HTC-supported home, prospective buyers must have assets that comply with the following limits: <ol style="list-style-type: none"> i. less than \$155,000, which is adjusted annually in subsequent years for inflation using the CPI-W index; and ii. excluding all IRS-recognized retirement accounts, up to \$250,000 total. |
| SHI Eligibility | Restricted HTC Units will not qualify for inclusion in the State Housing Inventory (SHI) maintained by the Executive Office of Housing and Livable Communities. |

| E. Tax Credit Calculation & Delivery | |
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| Tax Credit Calculation | <p>The maximum credit award available for any unit of affordable housing created under the HTC program will be based on a calculation of 35% of the lesser of either:</p> <ul style="list-style-type: none"> a. the total qualified project expenditures calculated on a single-family dwelling unit basis; or b. (ii) 80% of the area median new single family dwelling sales price. <p>Average Sales Price of Newly-Constructed Single Family Homes (including condominiums) By Region can be found in Exhibit 1.</p> |
| Delivery of Tax Credit | <p>The tax credits will be issued to a developer following:</p> <ul style="list-style-type: none"> a. the construction of the units b. acceptance of the development cost certifications c. sale of <u>all</u> affordable units to qualified buyers. <p>MassHousing will issue a certificate to the developer upon receipt of tax credit delivery requirements for submission to Department of Revenue (DOR). Tax Credit investors will be eligible to take the full amount of the tax credit in the first year or it can be spread out over a period of 10 years, depending on the investors tax liability.</p> <p>It is expected that the tax credit investor will then release the value of the credits to the developer to be used to pay down debt, construction payables, developer overhead, profit and other development related expenses.</p> |

| F. Developer Fee / Profit and Overhead | |
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| Developer Fee and Overhead | <p>MassHousing will review and permit projects with a reasonable developer fee and overhead, which 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. 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> |

| F. Affordability Restrictions and Requirements for Restricted HTC Units | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| Documentation | Homeowners who purchase a Restricted HTC 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. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 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 at or below 120% AMI. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Affordability Period | 10 years from initial sale to a qualified buyer | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Appreciation Sharing | <p>Through year 10 of the restriction:</p> <p>The buyers will share in the appreciation of growth in value or home equity with MassHousing per the schedule below:</p> <table border="1"> <thead> <tr> <th>Sale After</th> <th>Owner Share</th> <th>MassHousing Share</th> </tr> </thead> <tbody> <tr> <td>1 year</td> <td>10%</td> <td>90%</td> </tr> <tr> <td>2 year</td> <td>20%</td> <td>80%</td> </tr> <tr> <td>3 year</td> <td>30%</td> <td>70%</td> </tr> <tr> <td>4 year</td> <td>40%</td> <td>60%</td> </tr> <tr> <td>5 year</td> <td>50%</td> <td>50%</td> </tr> <tr> <td>6 year</td> <td>60%</td> <td>40%</td> </tr> <tr> <td>7 year</td> <td>70%</td> <td>30%</td> </tr> <tr> <td>8 year</td> <td>80%</td> <td>20%</td> </tr> <tr> <td>9 year</td> <td>90%</td> <td>10%</td> </tr> <tr> <td>10 year</td> <td>100%</td> <td>0%</td> </tr> </tbody> </table> | Sale After | Owner Share | MassHousing Share | 1 year | 10% | 90% | 2 year | 20% | 80% | 3 year | 30% | 70% | 4 year | 40% | 60% | 5 year | 50% | 50% | 6 year | 60% | 40% | 7 year | 70% | 30% | 8 year | 80% | 20% | 9 year | 90% | 10% | 10 year | 100% | 0% |
| Sale After | Owner Share | MassHousing Share | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 year | 10% | 90% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 year | 20% | 80% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 year | 30% | 70% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 year | 40% | 60% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 year | 50% | 50% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 year | 60% | 40% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 year | 70% | 30% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 year | 80% | 20% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9 year | 90% | 10% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10 year | 100% | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Capital Improvement Credit | Documented investments in documented eligible improvements to the unit (in accordance with Chapter 40B program guidelines) may be paid from net sale proceeds during the 10-year restriction period. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Family Transfers | By-right transfers during Restriction Term to immediate family provided they are owner occupants. Restriction Term will remain in place. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Resale Price Restrictions | Through year 10 of Restriction Term, lesser of: a. Price affordable to buyer at restricted AMI tier set at Initial Sale. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Buyer Restrictions | Through year 10 of Restriction Term, the HTC home must be sold to a qualified homebuyer | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Restriction Term Reset | The restriction does not reset | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

H. Application Components

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| 1. HTC Application Excel | Template available on MassHousing HTC webpage or upon request 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 AFHMP with accurate income and asset limits and should be completed by experienced lottery agent. |
| 7. Evidence of Municipal / Local Support | Documentation of local subsidy and/or other development support in some form (including non-monetary). |
| 8. 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 HTC proposal. Further, the submission must be current, reflect the unit/affordability mix of the HTC proposal, and take into consideration the unit configuration/finishes, as well as unit and site (including parking type) amenities. The report must be |

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| | completed by an accredited appraiser or market study professional. MassHousing will assess current unit pricing, absorption, and marketability (supply/demand) of the HTC proposal. |
| 9. Construction Lender Financing | Current documentation (LOI or Term Sheet) from construction lender reflecting detailed terms and conditions for issuing construction financing consistent with development plan. If this is not available, please explain why. |
| 10. Tax Credit Investor Commitment | Provide current documentation (LOI, Term Sheet) from an interested tax credit investor outlining the detailed terms and conditions for investing in the development, consistent with program requirements. If unavailable, please provide an explanation. |
| 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. Contractor Profile | Exhibit 8.11 of OneStop, general contractor's Profile, and resume |
| 19. Drawings and Specifications, | Provide narrative and supporting materials demonstrating architectural design advancement appropriate to the project's stage, including identification of the current design phase (Schematic Design, Design Development, or Construction |

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| | Documents), and evidence of readiness to advance to subsequent development milestones. |
| 20. 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. |
| 21. Credit Release Form | Exhibit 8.10 of OneStop, Developer's Credit Reference Authorization |
| 22. 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. HTC financing should be accurately reflected. Project name and address on PNF should be consistent with HTC 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). |
| 23. 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. |
| 24. Innovation, Cost Efficiency, and Delivery Approach | Provide evidence and narrative demonstrating the use and status of innovative construction, energy, or delivery methods such as modular construction, design-build delivery, net-zero or all-electric design that reduce cost, schedule, delivery risk, or energy use. |
| 25. Application Fee | An initial non-refundable application fee of \$500 shall be due at application submission. For awarded projects, an additional non-refundable fee of \$4,500 shall be due at the time final HTC awards are issued. Upload copy of HTC application invoice. |

| I. Review and Approval Process | |
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| Application Deadline | Applicants must submit a complete application (components listed in Section H, above) by the date stated in the HQAP for the 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 HTC landing page. |
| Application Review & Evaluation | <p>Application components will be reviewed and scored by technical staff in the Strategic Community Investments division of MassHousing.</p> <p>The application scoring criteria:</p> <p>A maximum of 115 points may be awarded across six categories:</p> <ul style="list-style-type: none"> A. Readiness to Proceed (28 points) Evaluates the extent to which a project is sufficiently advanced to proceed without material delays. B. Development Team Capacity (20 points) Evaluates the development team’s qualifications, experience, financial capacity, and organizational readiness to successfully deliver and manage the proposed project. C. Financial Feasibility (30 points) Evaluates the clarity, completeness, and feasibility of the project’s financing structure, including anticipated development costs and the status of identified funding sources. D. Market Feasibility (9 points) Evaluates the market feasibility of the proposed development, the readiness of the homeownership sales strategy, and compliance with fair housing requirements. E. Leveraging Resources and Local Support (8 points) Evaluates the extent to which the project leverages local resources, municipal support, and public actions that strengthen feasibility, reduce risk, and demonstrate alignment with local housing priorities. F. Innovation, Cost Efficiency, and Delivery Approach (20 points) Evaluates innovative approaches to development that enhance cost efficiency, reduce delivery risk, accelerate timelines, and improve alignment between development costs, subsidy levels, and market feasibility. <p>Exhibit 2 (HQAP Scoring Criteria) provides a detailed breakdown of each scoring category.</p> |
| Conditional HTC Reservation Award | The selected top scoring development applications will be issued a conditional HTC reservation award. This conditional reservation award will give the selected development teams 90 days to secure commitments from a construction lender and a tax credit investor. These commitments must be submitted, and acceptable, to MassHousing and approved prior to construction starting on the approved project. |

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| Final HTC Award | Final approval of all recipients shall be by the Chief Executive Officer or their designee. |
| Waiver and Amendments | <p>The Chief Executive Officer or their designee, in consultation with the General Counsel, may waive certain HTC program guidelines for individual HTC projects due to extraordinary project-specific or market conditions subject to statutory requirements.</p> <p>Further, MassHousing may amend the Homeownership Tax Credit Qualified Allocation Plan from time to time in order to incorporate changes to the program, clarify certain requirements of the program, or keep pace with various updates that may be made to data upon which this program relies (including, but not limited to increases in income limits enacted by HUD, or changes in single family purchase price numbers). When such changes are made, MassHousing will provide notice to program participants.</p> |

Exhibit 1: Average Sales Price of Newly-Constructed Single Family Homes (including condominiums) By Region

The formula for determining the amount of tax credit assistance that will be provided to an affordable unit supported under this program is based on 35% of the lesser of: (1) the per unit total development cost (TDC) of the proposed development; or (2) 80% of the average sales price of a newly-constructed single family home in the area.

MassHousing staff will be responsible for determining which of the above two factors will be used for each development receiving tax credit assistance, but the county-by-county numbers are presented below for transparency purposes.

The below information is summarized data received from The Warren Group:

| County | Number of Property Transfers | Average Transfer Price | 80% of Average Transfer Price |
|---------------|-------------------------------------|-------------------------------|--------------------------------------|
| Barnstable | 110 | \$1,279,548 | \$1,023,638 |
| Berkshire | 10 | \$408,650 | \$326,920 |
| Bristol | 260 | \$698,087 | \$558,470 |
| Dukes | 10 | 3,939,077 | \$3,151,262 |
| Essex | 240 | 1,092,617 | \$874,094 |
| Franklin | 9 | \$413,889 | \$331,111 |
| Hampden | 99 | \$479,048 | \$383,238 |
| Hampshire | 47 | \$594,684 | \$439,747 |
| Middlesex | 745 | 1,392,286 | \$1,113,829 |
| Nantucket | 12 | \$2,433,583 | \$1,946,866 |
| Norfolk | 355 | \$1,289,389 | \$1,031,511 |
| Plymouth | 318 | \$954,228 | \$763,382 |
| Suffolk | 21 | \$1,523,143 | \$1,218,514 |
| Worcester | 661 | \$706,131 | \$564,905 |
| Total | 2,897 | \$1,047,094 | \$837,675 |

*The average sales price data will be updated for each calendar year HTC competition is announced.

Exhibit 2: HQAP Application Scoring Criteria

Attached on the following page.