

**Minutes of the Regular Meeting of the
Members of MassHousing
held on
January 14, 2025**

The regular meeting of the Massachusetts Housing Finance Agency – doing business as MassHousing – January 14, 2025 in accordance with Section 20 of An Act Extending Certain COVID-19 Measures Adopted During the State of Emergency, 2021 Mass. Acts 20, as amended. No Members were physically present and the meetings were conducted remotely through a publicly accessible Zoom meeting.

Members:

| Board Member | Present | Absent |
|---------------------------------|----------------|---------------|
| Jeanne Pinado, Chair | X | |
| Carolina Avellaneda, Vice Chair | X | |
| Edward Augustus, ex officio | X | |
| Bran Shim* | X | |
| Herby Duvern  | X | |
| Tom Flynn | | X |
| Patricia McArdle | X | |
| Carmen Panacopoulos | X | |
| Michael Glover | X | |

**Designee of Secretary Matthew Gorzkowicz, ex officio*

The Chair convened the meeting to order at 2:00 p.m.

The Chair indicated that the first order of business was the approval of the minutes of the December 10, 2024 meeting.

Upon a motion duly made and seconded, by roll call vote, by all Members present, it was:

VOTED: That the minutes of the Regular Meeting of the Members held on December 10, 2024 are hereby approved and placed on record.

Chief Executive Officer's Report

Chrystal Kornegay began her report by discussing the Capital Magnet Fund and its creation by the Government in response to the recession. Ms. Kornegay continued that MassHousing has applied for CMF since 2019 and have received the largest awards available. MassHousing began applying for the homeownership division and then for multi-family as well. Homeownership has disbursed \$3.7M through DPA loans to 322 homebuyers. Multi-family has disbursed \$13,600,000 across 18

developments to create 1,995 units. Ms. Kornegay referenced Singing Bridge Residences and 25 Sixth Street as examples of developments that have received CMF and noted that these funds allow us to serve lower income bands and target other mission objectives. Carmen Panacopoulos asked if these funds can be used with Commonwealth Builder Funds and Ms. Kornegay noted that CMF requires the explicit use of the funds be stated in the original application and we have not included Commonwealth Builder to date. Jeanne Pinado asked if CMF was being treated like a grant and commented that these funds have been “a lifesaver to handful of deals” and helps to fill in the gaps. Carolina Avellaneda asked if there was any way the funds could be taken back at the same time as Ms. Pinado asked if we plan to deploy all of the funds. Ms. Kornegay responded that we expect to deploy all of the CMF funds in the multifamily pipeline.

Votes Approving Delegations of Authority (Federal Programs)

Colin McNiece presented Votes with regards to Delegations of Authority (Federal Programs).

On October 10, 2023, the Members voted to approve delegations of authority related to various areas of the Agency, including Federal Programs. Given further changes to Agency staff since that date, the Chief Executive Officer and senior Agency staff are recommending a further update of the delegations contained in Attachment H to the October 10, 2023 votes, and that actions taken by the persons authorized in these delegations during the interim period be ratified.

Mr. McNiece read one edit to the version previously distributed that replaces the last clause of the second vote with the phrase “for roles with similar responsibilities.”

Upon a motion duly made and seconded, by roll call vote, it was, by all the Members present:

VOTED: to approve the votes as presented in the Board package that is attached, with the change noted at the meeting, and incorporated into the minutes of the meeting.

Votes Relating to Fiscal Year 2024 Capital Magnet Fund Award

Robert Muello presented votes relating to the Fiscal Year 2024 Capital Magnet Fund Award.

Bran Shim asked if this would be consistent with how we have handled these funds in the past. Chrystal Kornegay confirmed that it is. Michael Glover and Chair Pinado inquired about administrative fees and whether there are any caps. Ms. Kornegay noted that the Agency does take an administrative fee and staff noted the CMF program caps those fees at 5% of the award.

Upon a motion duly made and seconded, by roll call vote, it was, by all the Members present:

VOTED: to approve the votes as presented in the Board package that is attached and incorporated into the minutes of the meeting.

Loan Committee

Tackenash Knoll, Oak Bluffs

Jeffrey Geller presented a proposal for Commitment of a Permanent Tax-Exempt and Taxable Loan, Commitment of a Tax-Exempt Bridge Loan, Commitment of a Workforce Housing Subordinate Loan and Approval for the Use of Low-Income Housing Tax Credits for Tackenash Knoll in Oak Bluffs.

Carmen Panacopoulos commented that Tackenash Knoll was “a really big deal” as this is the only LIHTC development in Oak Bluffs.

Upon a motion duly made and seconded, by roll call vote, by all Members present, it was:

VOTED: to approve the votes and findings as presented in the Board package that is attached and incorporated into the minutes of the meeting.

Whitney Carriage, Leominster

Daniel Staring presented a proposal for Commitment of a Taxable Asset Protection and Approval for Forbearance of Cash Flow Payment Obligation on existing loans for Whitney Carriage in Leominster.

Jeanne Pinado asked if the 25% affordability was “typical”. Mr. Staring explained that this is typical for SHARP deals. Ms. Pinado then asked how many more SHARP deals there were. Mr. Staring noted there are a few left and commented that these deals present a number of difficult challenges. Carolina Avellaneda then asked if the Board approved this would they be “throwing good money after bad”, if there was a game plan going forward, and what position the note takes in the financing structure. Mr. Staring explained the intent with the transaction is to be proactive and not reactive and that this particular project presented several opportunities. He explained that the note is a subordinate note behind MassHousing’s first mortgage and alongside other subordinate debt but with a new cashflow sharing structure. He noted the 10-year projection that was provided illustrated a rent pick up that is promising but that there could be additional capital needs.

Upon a motion duly made and seconded, by roll call vote, by all Members present, it was:

VOTED: to approve the votes and findings as presented in the Board package that is attached and incorporated into the minutes of the meeting.

West Newton Armory, Newton

Jeffrey Geller presented a proposal for Official Action Status to change the bond purchaser and construction lender to be First-Citizens Bank and Trust Company, rather than Silicon Vally Bank and to modify the vote to permit the borrower to enter into a loan with First Citizens instead of Silicon Valley Bank.

Upon a motion duly made and seconded, by roll call vote, by all Members present, it was:

VOTED: to approve the votes and findings as presented in the Board package that is attached and incorporated into the minutes of the meeting.

The Chair then asked if there was any other old or new business for the Members' consideration.

There was none.

There being no other business to consider, the meeting adjourned at 2:46 p.m.

A true record.

Attest.



Colin M. McNiece
Secretary

Materials:

- Board Package, January 14, 2025



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Fax: 617-854-1091 www.masshousing.com

Posted: January 9, 2025 @ 12:05 p.m.
Secretary of the Commonwealth, Regulations Division
Executive Office for Administration & Finance
masshousing.com

NOTICE

of a Meeting of the Members

The regular meeting of MassHousing will be held:

Date: **Tuesday, January 14, 2025**

Time: **2:00 p.m.**

Location: **See below**

In accordance with Section 20 of An Act Extending Certain COVID-19 Measures Adopted During the State of Emergency, 2021 Mass. Acts 20, as amended, this Meeting will not be conducted in a publicly accessible physical location. This meeting will instead be conducted through remote audio and video participation by the Members of MassHousing.

The public will be able to observe the Meeting online through the Zoom video/audio conference program.

The Zoom meeting link for this Meeting is: <https://masshousing.zoom.us/j/83875051398>
The Zoom meeting ID is: 838 7505 1398
The Zoom Passcode is: 568154

Additional instructions for observing the meeting through Zoom are attached to this Notice.

Attention will be given to the following matters:

1. EXECUTIVE ACTIONS

- A. Call to Order
- B. Vote Approving the Minutes
 - Regular Meeting of December 10, 2024
- C. Chief Executive Officer's Report

- D. Votes Approving Delegations of Authority (Federal Programs)
- E. Votes Relating to the Fiscal Year 2024 Capital Magnet Fund Award

2. LOAN COMMITTEE

- A. Tackenash Knoll, Oak Bluffs
 - Commitment of a Tax-Exempt and Taxable Permanent Loan
 - Commitment of a Tax-Exempt Bridge Loan
 - Commitment of a Workforce Housing Subordinate Loan
 - Approval for the Use of Low-Income Housing Tax Credits
- B. Whitney Carriage Park, Leominster
 - Commitment of a Taxable Asset Protection Loan
 - Forbearance of Cash Flow Payment Obligations on Existing Loans
- C. West Newton Armory, Newton
 - Modification to a Previous Member Approval

Meeting Notices

In accordance with Section 20 of An Act Extending Certain COVID-19 Measures Adopted During the State of Emergency, 2021 Mass. Acts 20, as amended, this Meeting will not be conducted in a publicly accessible physical location. This meeting will instead be conducted through remote audio and video participation by the Members of MassHousing, and public observation will be available only through the Zoom audio/video conferencing program using the link and Meeting ID provided above. Instructions for joining the meeting through Zoom are attached.

Accessibility

If you need an accommodation to participate in a MassHousing meeting, event, or program, please call 617-854-1000 or email webinfo@masshousing.com. Please request accommodations as soon as possible but no later than 48 hours before a scheduled event so that we can have adequate time to accommodate your needs. [Click here to view our Accessibility statement.](#)

Steps to Join a Zoom Meeting

1. A Zoom meeting link will look like the following:

Join Zoom Meeting

<https://zoom.us/j/6881564212>

Meeting ID: 688 156 4212

One tap mobile

+13126266799,,6881564212# US (Chicago)

+16465588656,,6881564212# US (New York)

Dial by your location

+1 312 626 6799 US (Chicago)

+1 646 558 8656 US (New York)

+1 253 215 8782 US

+1 301 715 8592 US

+1 346 248 7799 US (Houston)

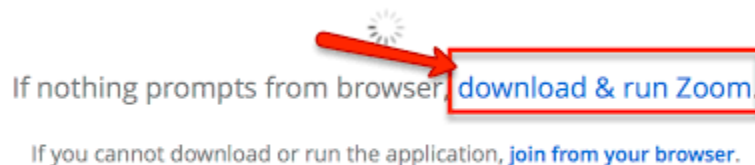
+1 669 900 9128 US (San Jose)

Meeting ID: 688 156 4212

Find your local number: <https://zoom.us/u/acgfl1ziEv>

2. Click the link below 'Join Zoom Meeting'.

NOTE: Simply calling a phone number without "joining the Zoom meeting" will not allow you to see the presentation. Clicking on the link will automatically download the Zoom program (Image below)



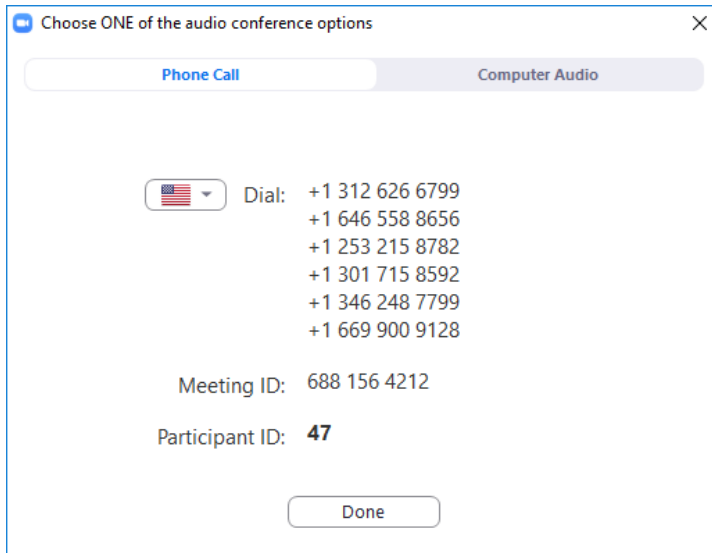
3. If Zoom does NOT automatically download and install. Click Download & run Zoom

NOTE: to see a video about this: <https://youtu.be/vFhAEoCF7jg>

Steps to Join a Zoom Meeting

4. You will be provided with Audio Options.

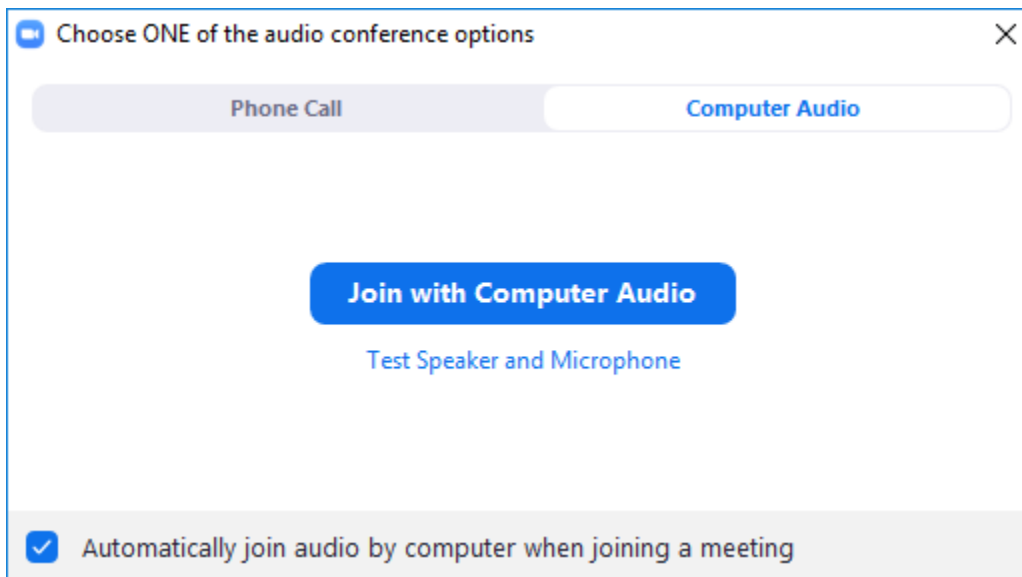
NOTE: The numbers for your meeting may be different than the ones in this example.



The screenshot shows a Zoom dialog box titled "Choose ONE of the audio conference options". It has two tabs: "Phone Call" (selected) and "Computer Audio". Under the "Phone Call" tab, there is a dropdown menu showing the United States flag, followed by a list of phone numbers: +1 312 626 6799, +1 646 558 8656, +1 253 215 8782, +1 301 715 8592, +1 346 248 7799, and +1 669 900 9128. Below the numbers, the "Meeting ID: 688 156 4212" and "Participant ID: 47" are displayed. A "Done" button is at the bottom.

5. Call one of the numbers provided and enter your Meeting ID and Participant ID when prompted.
6. If you have a headset or would like to use your computer audio, select the Computer Audio tab and Join with Computer Audio.

NOTE: Uncheck "Automatically join audio by computer" when joining a meeting.



The screenshot shows the same Zoom dialog box, but now the "Computer Audio" tab is selected. The "Phone Call" tab is greyed out. In the center, there is a large blue button that says "Join with Computer Audio". Below it, there is a link that says "Test Speaker and Microphone". At the bottom, there is a checkbox that is checked, with the text "Automatically join audio by computer when joining a meeting".

7. All participants on the call will be muted. Please keep yourself on mute so that meeting can be as clear as possible.

CEO's Report Capital Magnet Fund

January 14, 2025

Capital Magnet Fund (CMF)

The CMF was Created by the Housing and Economic Recovery Act (HERA) of 2008 and funded by allocations from Fannie Mae and Freddie Mac. It is Administered by the U.S. Treasury's Community Development Financial Institutions (CDFI) Fund. MassHousing is one of the only HFAs in the country to seek and receive an award of CMF funds.

The fund provides Competitively-awarded grants to CDFIs and eligible nonprofit organizations to attract private capital for and investment in:



Affordable Housing

production and preservation of both multifamily rental and single-family homeownership to support extremely low and very low-income households.



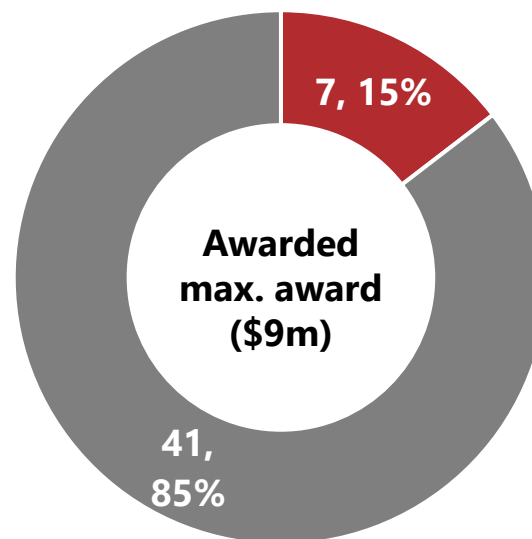
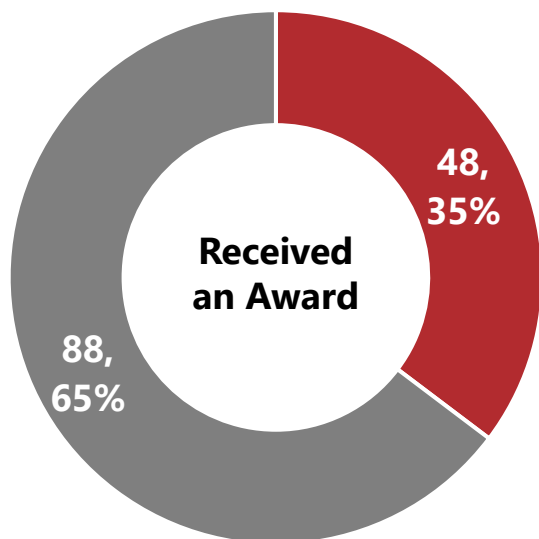
Economic Development

activities designed to stabilize and revitalize areas of economic distress

Competitive Awards Received by MassHousing

Over the past five award rounds (since 2019)*, MassHousing has received a total of **\$41.05 million of funding from CMF**. In the **FY2023** and **FY2024** funding rounds, MassHousing received the maximum award of **\$12M** and **\$9M** respectively.

FY2024 CMF round:



MassHousing CMF Activity



Homeownership has used
\$3.7M in funds from
FY2019 and FY2020 awards



Multifamily has used **\$13.6M**
in funds since FY2019 to
support Multifamily projects

\$1.6 million in funds have been used to support administrative, application, and consultant costs

The remaining \$22.2M will go to support developments in the pipeline.

CMF Homeownership Impact

- Homeownership Division utilized the CMF award for the **Down Payment Assistance (DPA)** for the **Work Force Advantage (WFA)** 2.0 and 3.0 products.
- As of June 30, 2023, the fund was completely disbursed, providing DPA loans to **322 homebuyers**.

Of those 322 Homebuyers....



53%

of funds were provided to
BIPOC households.



100%

to households earning
below 80% of AMI.



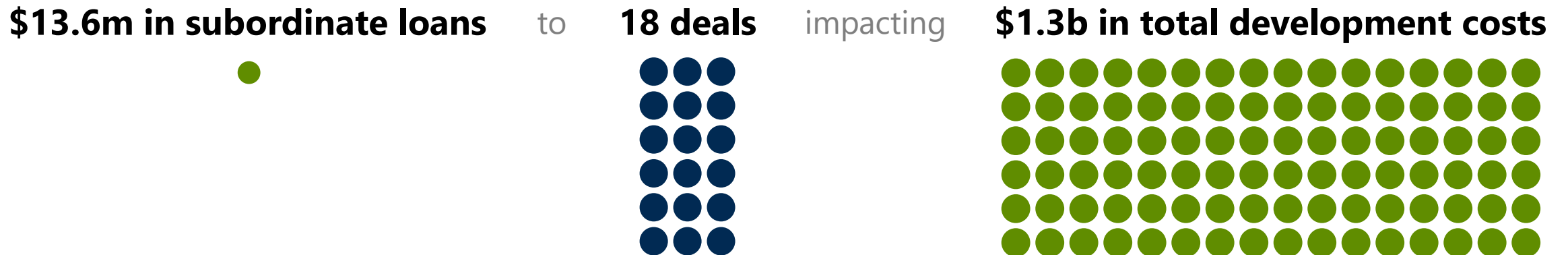
61%

to properties located in
Gateway Cities.

CMF Multifamily Impact

Multifamily Division uses CMF funds to make subordinate loans to multifamily projects to close financing gaps.

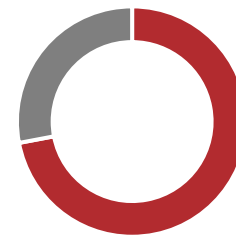
To date, MassHousing has committed



These funds have helped create 1,995 units



704 or 35%
are restricted for households with
very low or extremely low incomes.



1,437 units
are in Areas of
Economic Distress.*

*The CDFI defines areas of economic distress as census tracts with high rates of poverty, housing burden, vacancy, or unemployment, as well as underserved rural areas.

Example Multifamily CMF Developments



25 Sixth Street, Chelsea

- Current Status: Initial Lease Up
- Developed by The Neighborhood Developers in the Gateway City of Chelsea
- 44-unit 9% LIHTC development with associated Commonwealth Builder condominium
- Units from 30-90% AMI
- \$932,500 CMF Award
- Funded financing gap caused by escalated construction cost and rising interest rates

Example Multifamily CMF Developments



Singing Bridge, Chicopee

- Committed / Closing
- Developed by Brisa Builders Development in the Gateway City of Chicopee
- 105-unit 4% LIHTC and Workforce Housing development
- Units from 30-90% AMI
- \$1,000,000 CMF Award
- Funded financing gap caused by escalated construction cost and increased projected operating expenses

**Questions?
Comments?**

Thank You!

MEMORANDUM

To: Agency Members

From: Amy Quimby, General Counsel

Subject: Delegations of Authority (Federal Programs)

Date: January 14, 2025

On October 10, 2023, the Members voted to approve delegations of authority related to various areas of the Agency, including Federal Programs. Given further changes to Agency staff since that date, the Chief Executive Officer and senior Agency staff are recommending a further update of the delegations contained in Attachment H to the October 10, 2023 votes, and that actions taken by the persons authorized in these delegations during the interim period be ratified.

Specifically, staff recommends the following votes:

VOTED: To approve the delegations of responsibilities stated in the following attachment H hereto and to thereby replace any existing votes pertaining to delegations of authority in these areas; to ratify the actions taken by the persons authorized in the following attachment for actions taken prior to the date hereof; and to confirm that any ratifications of prior actions contained in such earlier votes remain in full force and effect:

Attachment H: Federal Programs

FURTHER

VOTED: To authorize any person acting in an “Interim” or “Acting” or “Senior” capacity to exercise the authority delegated herein to the applicable position, and in the event that a position has been eliminated or changed, to authorize the Chief Executive Officer to replace titles within the following votes or to designate a new title; and in the event that the Chief Executive Officer determines that additional positions should be added or removed, to include or delete such titles in the following votes.

ATTACHMENT H
Federal Programs

That the Chief Executive Officer, Chief Financial and Administrative Officer, Chief Legal and Operating Officer, General Counsel, Deputy General Counsel, Vice President of Multifamily Programs, Vice President of HomeOwnership Programs, Senior Director of Rental Underwriting, and Senior Director of Rental Management, each acting singly, are hereby authorized to execute and deliver any and all agreements, documents, and instruments, and take, or direct that Agency staff take, any and all actions required under any such agreements, documents, and instruments, in connection with the Agency's participation in the programs of, or in connection with the assumption of responsibilities delegated or procured by, the United States Department of Housing and Urban Development ("HUD"), or HUD's affiliated/designated offices and divisions, including, but not limited to, the following: Section 8 Mark-to-Market Program, Section 8 Contract Administration Program, and programs of the Federal Housing Administration.

That the Government National Mortgage Association Resolution of Board of Directors and Certificate of Authorized Signatures (Form HUD 11702) (the "Certificate"), attached hereto as Exhibit H-1, is hereby adopted with the understanding that references in such Certificate to "Corporation" and "Board of Directors" shall mean "MassHousing" and "the Members of MassHousing," as appropriate, and that the Chief Executive Officer, General Counsel, Secretary, Chief Legal and Operating Officer, and Chief Financial and Administrative Officer are hereby authorized to complete, execute, and deliver such Certificate with the insertion of the following titles and the respective names of the employees holding such positions, and to update such Certificate as necessary from time to time to reflect changes to such corresponding names.

| Issuer ID 4396 [Homeownership] | Issue ID 4281 [Multifamily] |
|--|--|
| Chief Executive Officer | Chief Executive Officer |
| Chief Financial and Administrative Officer | Chief Financial and Administrative Officer |
| Chief Legal and Operating Officer | Chief Legal and Operating Officer |
| General Counsel | General Counsel |
| Deputy General Counsel | Deputy General Counsel |
| Senior Director of Capital Markets | Senior Director of Capital Markets |
| Manager of Finance and Debt Management | Manager of Finance and Debt Management |
| Finance and Bond Specialist | Finance and Bond Specialist |
| Manager of Financial Reporting | Manager of Financial Reporting |
| Compliance Officer | Compliance Officer |

| | |
|---|--|
| Comptroller | Comptroller |
| Assistant Comptroller | Assistant Comptroller |
| Senior Director of Finance | Senior Director of Finance |
| Finance Operations Manager | Finance Operations Manager |
| Manager of Program Accounting | Manager of Program Accounting |
| Senior Director of Homeownership Lending Operations | Vice President of Multifamily Programs |
| Senior Manager of Homeownership Lending Operations | Director of Loan Servicing |
| Secondary Market Analyst | Assistant Manager Multifamily Loan Servicing |
| Financial Specialist II | Mortgage Officer |
| Senior Manager of Accounting and Asset Management | Loan Servicing Specialist |
| Manager of Loan Boarding and Escrow | |
| Mortgage Accounting Supervisor | |
| Senior Manager of Quality Control | |
| Senior Manager of Loan Administration | |
| Loan Servicing Manager | |

That the Federal Home Loan Mortgage Corporation Resolution of Board of Directors and Certificate of Incumbency for Housing Finance Agency (Form 988SF – HFA) (the “Certificate”), attached hereto as Exhibit H-2, is hereby adopted with the understanding that references in such Certificate to “Housing Finance Agency” or “HFA” shall mean “MassHousing,” as appropriate, and references to “Board of Directors” or “Governing Body” shall mean “the Members of MassHousing,” as appropriate, and that the Executive Director, General Counsel, Secretary, Chief Legal and Operating Officer, and Chief Financial and Administrative Officer are hereby authorized to complete, execute, and deliver such Certificate with the insertion of the following titles and the respective names of the employees holding such positions, and to update such Certificate as necessary from time to time to reflect changes to such corresponding names.

| |
|--|
| Authorized Employees for inclusion in Paragraph 2 and Exhibit A of Form 988SF-HFA |
| Chief Executive Officer |
| Chief Financial and Administrative Officer |
| Comptroller |
| Assistant Comptroller |
| Senior Director of Finance |

That the Federal Home Loan Mortgage Corporation Certificate of Incumbency for Mortgage Insurance Companies (Form 99MI) (the “Certificate”), attached hereto as Exhibit H-3, is hereby adopted with the understanding that references in such Certificate to “Mortgage Insurer” shall mean “MassHousing,” as appropriate, and references to “Board of Directors” shall mean “the Members of MassHousing,” as appropriate, and that the Executive Director, General Counsel, Secretary, Chief Legal and Operating Officer and Chief Financial and Administrative Officer are hereby authorized to complete, execute, and deliver such Certificate with the insertion of the following titles and the respective names of the employees holding such positions, and to update such Certificate as necessary from time to time to reflect changes to such corresponding names.

| |
|---|
| Authorized Employees for inclusion in Paragraph 2 and Exhibit A of Form 99MI |
| Chief Executive Officer |
| Chief Financial and Administrative Officer |
| Comptroller |
| Assistant Comptroller |
| Senior Director of Finance |
| Director of Mortgage Insurance Fund |

EXHIBIT H-1

HUD Form 11702

EXHIBIT H-2

Form 988SF – HFA

EXHIBIT H-3

Form 99MI

Resolution of Board of Directors and Certificate of Authorized Signatures

U.S. Department of Housing
and Urban Development
Government National Mortgage Association

OMB Approval No. 2503-0033 (Exp. 04/30/2026)

(Please type all entries)

Public reporting burden for this collection of information is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a current OMB control number.

Ginnie Mae is authorized to collect the information on this form as required by Section 306(g) of the National Housing Act and/or the Ginnie Mae Handbook, 5500.3, Rev. 1. Ginnie Mae maintains this information to ensure that the persons identified below perform in accordance with acceptable business standards. The information collected will not be disclosed outside the Department except as required by law.

Name of Issuer

Issuer ID Number

Resolved First, that

Name and Title of Officer

Signature

Name and Title of Officer

Signature

Name and Title of Officer

Signature

Name and Title of Officer

Signature

Name and Title of Officer

Signature

Name and Title of Officer

Signature

Name and Title of Officer

Signature

Name and Title of Officer

Signature

of this corporation, or any one or more of them, be and each of them is hereby authorized and empowered in the name of and on behalf of this corporation and under its corporate seal, from time to time while these resolutions are in effect, to execute and deliver to the Government National Mortgage Association, in the form prescribed by said Association, with respect to the issue(s) by this corporation, under Section 306(g) of the National Housing Act and the Regulations pertaining thereto, of mortgage-backed securities to be guaranteed by the Association, any documents required to: (a) make applications to Ginnie Mae in the name of and on behalf of this corporation for approval to become an issuer and for Ginnie Mae commitments to guarantee such mortgage-backed securities issued by this corporation; (b) enter into contracts with Ginnie Mae for the latter's guaranty of mortgage-backed securities issued in accordance with the terms and conditions of commitments to guarantee, issued by the Association to this corporation; (c) merge mortgage notes, deeds of trust and bonds now owned or hereafter acquired by this corporation into pools or loan packages, against which this corporation may issue mortgage-backed securities; (d) enter into any agreements, execute any documents or papers, and furnish any information required or deemed necessary or proper by the Association in connection with any of the foregoing; and (e) abide by all the terms and conditions set forth in the Ginnie Mae Mortgage-Backed Securities Guide.

Resolved Second, that the above named officers, be and they are hereby authorized and empowered in their discretion and as occasion may arise to receive and endorse the name of this corporation on any checks or drafts representing the proceeds from collections made by servicers of mortgages pertaining to pools or loan packages, and to issue and sign any checks or drafts issued to pay to the security holders their pro rata shares in these proceeds, and to do and perform any and all acts and to execute any and all additional instruments or agreements, from time to time, in the name of and on behalf of this corporation under its corporate seal or otherwise, deemed necessary or proper by the Association in connection with the formation of mortgage pools or loan packages, the issuance of mortgage-backed securities, the guaranty of mortgage-backed securities by the Association and the discharge of the duties and obligations of this corporation, as issuer, until the proceeds of the last maturing mortgage in any pool or loan package is remitted to registered security holders.

Resolved Third, that any contracts or agreements heretofore made with said Association on behalf of this corporation, and all acts of officers or agents of this corporation in connection with any contracts to be entered into for the guaranty by the Association of mortgage-backed securities to be issued by this corporation are hereby ratified and confirmed.

Resolved Fourth, that Ginnie Mae is authorized to rely upon the aforesaid resolution until receipt by it of written notice thirty days in advance of any proposed change therein.

Previous editions are obsolete.

Certification.

I Hereby Certify that the foregoing is a true and correct copy of a resolution presented to and adopted by the Board of Directors of

at a meeting duly called and held at _____

on the _____ day of _____, 20____, at which a quorum was present and voted, and that such resolution is duly recorded in the minute book of this corporation; that the officers named in said resolution have been duly elected or appointed to, and are the present incumbents of, the respective offices set after their respective names. I also certify that the signatures set opposite the officers' names are true and genuine specimens of the officers' respective signatures.

In Witness Whereof, I have hereunto signed my name and affixed the seal of this corporation.

(Seal)

Secretary

I, _____
Name of officer Title of officer

of _____, located
Name of institution

in _____ hereby certify that
Location of institution

_____ is the duly qualified and acting secretary
Name of secretary

of _____
Name of institution

and that the signature appearing above is his/her genuine signature.

In Witness Whereof, I have hereunto signed my name

Date

Officer Signature



Form 988SF - HFA

Certificate of Incumbency for Housing Finance Agency

I, _____, do hereby certify to the Federal Home Loan Mortgage Corporation (“Freddie Mac”) that: (i) I am the duly appointed and acting [select one]: ☒ Board Chair, ☐ Executive Director ☐ Chief Financial Officer or ☐ Other _____ of _____ (“Housing Finance Agency” or “HFA”), (ii) I am duly authorized by the HFA to execute and deliver this Certificate of Incumbency to Freddie Mac, (iii) the HFA is a public body instrumentality or agency empowered by a State, county, or local municipality to finance activities designed to provide affordable housing for low- to moderate-income Borrowers and first-time homeowners in areas within its jurisdiction, and (iv) the HFA is organized and existing under the laws of _____. I further certify as follows:

1. Attached as Exhibit A hereto is a copy of a resolution of the Board of Directors or other governing body (collectively, “Governing Body”) of the HFA dated _____ (the “Resolution”) that authorizes and empowers the HFA’s (a) employees listed by name and title in Paragraph 2 below (“Authorized Employees”) to individually and singularly provide Freddie Mac with instructions and modifications to previous instructions to transfer funds (cash or securities) by wire transfer, Automated Clearing House (ACH), or other Freddie Mac designated transfer system in connection with the sale of Mortgages to Freddie Mac by the HFA (such instructions and modifications, “Wire Instructions”), and (b) Administrators to grant access to Authorized Employees as set forth in Paragraph 7 below, all in connection with the sale of residential home loan Mortgages to and/or the Servicing of such Mortgages for Freddie Mac. The Resolution is in full force and effect and has not been amended.
2. The Authorized Employees identified below: (a) hold the titles with the HFA set forth across from their names, (b) are duly authorized to execute any and all paper Records (as defined in and subject to the Requirements of Paragraph 4) required by Freddie Mac to effectuate the authority set forth in Paragraph 1 above by affixing such employee’s original handwritten signatures to such paper Records, or attaching their Electronic Signatures to or logically associated it with (including copies or representations of an Authorized Employee’s original written signature or Electronic Signature) to Records (including Electronic Records), (b) deliver such duly signed Records (including any Electronic Records) to Freddie Mac, and (c) effectuate funds transfers via Loan Selling Advisor®.

Seller/Servicer must identify, at a minimum, three authorized employees. If only two are listed, Seller/Servicer acknowledges processing delays may occur as well as returned funds.

Prior to initiating payments to a Seller/Servicer, a callback is performed on wire instruction setups and modifications to confirm authenticity and thereby reducing risk.

| | | |
|------------|-----------------|------------|
| Name: | Title: | Signature: |
| Telephone: | E-mail Address: | |
| Name: | Title: | Signature: |
| Telephone: | E-mail Address: | |
| Name: | Title: | Signature: |
| Telephone: | E-mail Address: | |

| | | |
|------------|-----------------|------------|
| Name: | Title: | Signature: |
| Telephone: | E-mail Address: | |
| Name: | Title: | Signature: |
| Telephone: | E-mail Address: | |
| Name: | Title: | Signature: |
| Telephone: | E-mail Address: | |

3. The specimen signature set forth across from each Authorized Employee's name and title in Paragraph 2 is: (a) the true and genuine handwritten signature of each such Authorized Employee or (b) an Electronic copy or representation of the true and genuine handwritten signature (the "Electronic Signature") of each such Authorized Employee.
4. As used in this Certificate of Incumbency, (a) "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities, (b) "Record" means information that is inscribed on a tangible medium or that is stored in an Electronic or other medium (including paper) and is retrievable in perceivable form, (c) "Electronic Record" means a Record created, generated, sent, communicated, received, or stored by Electronic means, and includes a paper document converted into an Electronic Record, (d) "Electronic Signature" means an Electronic sound, symbol or process attached to, or logically associated with, a contract or other Record and executed or adopted by a person with the intent to sign the Record, and (e) "Electronic Transaction" means an action or set of actions occurring between two or more persons relating to the conduct of business, commercial, or governmental affairs, using Electronic means. For the avoidance of doubt, only an Electronic Signature that is appended to this Form 988SF-HFA in the signer's handwriting by means of an electronic stylus or an electronic image of the signer's handwritten ink signature on paper is acceptable to Freddie Mac. Generic digitized, font-based Electronic Signatures generated by electronic signing platforms are not acceptable.
5. Freddie Mac may conclusively rely on the accuracy, genuineness, good faith, validity, effectiveness, and enforceability of any paper Record or Electronic Record provided to Freddie Mac, (a) bearing the handwritten signature or Electronic Signature of an Authorized Employee, and (b) roles delegated to Authorized Employees by Administrators. Seller/Service's failure to adhere to the aforementioned requirements may result in postponement of funding date as well as Freddie Mac exercising remedies under Section 3601.1 of the Guide.
6. Each of the HFA's Authorized Employees is authorized and empowered to engage in and conduct Electronic Transactions to provide Freddie Mac, individually and singularly, with Wire Instructions and HFA hereby consents to such Electronic Transactions.
7. The Resolution, attached as Exhibit A, also authorizes and empowers Seller/Service's identified Administrators, to grant access to Authorized Employees with the External Seller Setup Manager role within Loan Selling Advisor. Any Authorized Employee designated as an External Seller Setup Manager has the ability to effect funds transfers via Loan Selling Advisor. HFA acknowledges its obligation and duty of its Administrators to ensure each Authorized User (a) is aware of his or her responsibility and entitlement to fulfill Wire Instructions for funding transactions in Loan Selling Advisor, and, (b) as is the case generally for all Authorized Users, maintains Authentication Credentials in confidence.
8. By signing this form, HFA authorizes Freddie Mac to initiate debit/credit entries from the designated depository financial institution. HFA and Freddie Mac agree and acknowledge that their ACH transactions will comply with all applicable laws and the rules and terms of the National Automated Clearing House Association (NACHA) and Uniform Commercial Code 4A: Funds Transfer (UCC4A).
9. Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Freddie Mac Single-Family Seller/Service Guide.

10. Seller/Service provider acknowledges and agrees that: (1) Freddie Mac will maintain Wire Instructions for a period of two years. Wire Instructions that have been inactive for more than two years will be considered expired and new Wire Instructions will be required, and (2) Freddie Mac will maintain ACH Instructions for a period of two years. ACH Instructions in which the combination of the ABA routing number and the bank account number have been inactive for more than two years will be considered expired and new ACH Instructions will be required.
11. The information set forth in this Certificate of Incumbency is true and correct, and Freddie Mac may conclusively rely upon it and any addendum or Resolution attached hereto (or logically associated herewith) that is delivered by the HFA to Freddie Mac. This document replaces and supersedes any prior authorization and will remain in effect and fully binding on the Seller/Service provider for the next two years or until such earlier time as a written notice to the contrary is delivered or Seller/Service provider delivers a Certificate of Incumbency that Freddie Mac accepts as a replacement.

I acknowledge, agree, and certify that: (i) I am duly authorized to execute this Form 988SF-HFA and (ii) the HFA's delivery and Freddie Mac's receipt of a paper or Electronic copy of this Form 988SF-HFA, with a copy or representation of my original handwritten signature affixed hereto or my Electronic Signature attached hereto or logically associated herewith, is as valid, effective, and enforceable as if the HFA had delivered a paper Form 988SF-HFA with my original handwritten signature affixed thereto.

IN WITNESS WHEREOF, I have subscribed my name this ____ day of _____, 20____.

(Type/Print) HFA Legal Name

By: _____
(Signer's Signature)

Signer's Name: _____
(Type/Print)

Signer's Title: _____
(Type/Print)

Notary Acknowledgment

State of _____)

County of _____)

The foregoing instrument was acknowledged before me, a Notary Public, on this ____ day of _____, 20 ____, by

_____, _____ of _____.
(Signer's Full Name) (Signer's Title) (HFA's Legal Name)

Notary Public Signature: _____

Notary Public Printed Name: _____

(NOTARY SEAL)

*Please shade in raised notary seal
for visibility with pencil or crayon*

Commission Expires: ____ / ____ / ____

Notary Public State Registration Number: _____

See Form 988SF-HFA Completion Instructions on the next page, and retain a copy of the final submission for your records.

Form 988SF - HFA Completion Instructions:

This Form 988SF-HFA must be completed, signed, notarized, and delivered to Freddie Mac with a copy of the HFA's Resolution authorizing certain HFA employees to give Freddie Mac Wire Instructions, as defined above. Consult legal counsel when completing this Form.

1. Opening Paragraph:

- Type/print the full name of HFA's "Chair," "Executive Director," "Chief Financial Officer," or "Other:" (insert other title), as applicable, on the first line of the opening unnumbered paragraph of the Form 988SF-HFA: the person must be authorized by the HFA to execute and deliver the Form 988SF-HFA to Freddie Mac.
- Type/print an "X" in the applicable box preceding the title of the employee signing the Form 988SF-HFA. The signer must have one of these titles: "Chair," "Executive Director," "Chief Financial Officer," or "Other:" (insert other title).
- Type/print the HFA's legal name and the name of the State and, as appropriate, county or municipality under which the HFA is organized and exists.2. **Paragraph 1:** Enter the date that the Board of Directors adopted the Resolution.

2. Paragraph 1: Type/print the date that the Governing Body adopted or passed the Resolution. The resolution must be adopted or passed and in effect prior to the execution of Form 988SF-HFA.

3. Paragraph 2: Type/print the name, title, telephone number and e-mail address of each Authorized Employee and (a) have each such "Authorized Employee" sign in the space titled "Signature" or (b) include a copy or representation of such employee's original handwritten signature. To designate more than six Authorized Employees, please contact Freddie Mac for instructions.

4. Execution:

- Type/print the date that the Form 988SF-HFA is signed.
- Type/print the HFA's legal name on the line above the signature line.
- The signer must sign with pen and ink on the signature line immediately below the HFA's typed/printed name.
- Type/print the full name of the signer of the Form 988SF-HFA, on the line below the signature line.
- Type/print the title of: "Chair," "Executive Director," "Chief Financial Officer," or "Other:" (insert other title), as applicable, on the line below the typed/printed name of the signer of the Form 988SF-HFA.

5. Notarization: The notary acknowledgment language may be changed to comply with applicable law.

- Type/print the name of the State and county in which the Notary Public is commissioned at the top left of the Notary Acknowledgment.
- Type/print the date that the signer signs or acknowledges signing before the Notary Public.
- Type/print the full name and title of the signer and the HFA's legal name on the lines below the signature line.
- The Notary Public must sign and type/print his/her full name, commission expiration date, and registration or commission number, as applicable, and place the notary seal on the Form 988SF-HFA.

E-mail as a PDF to counterparty_authorization@freddiemac.com

FORM OF RESOLUTION: EXHIBIT A

Resolution of the

(Board of Directors/Name of Governing Body)

of

(HFA'S Legal Name)

DATE: _____

WHEREAS, the _____ [Board of Directors/Name of Governing Body] of _____ [HFA's Legal Name] is adopting the following resolution to delegate authority to certain of its employees by title (or by name and title) to:

1. Provide instructions, and modifications to previously provided instructions, to the Federal Home Loan Mortgage Corporation ("Freddie Mac") to transfer funds (cash or securities) in connection with the sales of mortgages to and/or servicing of mortgages for Freddie Mac by wire transfer, ACH, or other funds transfer system expressly approved and designated by Freddie Mac (such instructions and modifications, "Wire Instructions").
2. Act as Administrators authorized and empowered to grant access, including through Freddie Mac Access Manager, to Authorized Employees, including such employees they designate to have the External Seller Set Up Manager role in Loan Selling Advisor so that such Authorized Employees can submit Wire Instructions through Loan Selling Advisor.

NOW, THEREFORE, BE IT RESOLVED, that the employees with the titles or names and titles set forth below (each such person, an "Authorized Employee") are duly authorized and empowered to provide, individually and singularly, Freddie Mac with Wire Instructions in connection with the sale of mortgages to and/or the servicing of mortgages for Freddie Mac.

Authorized Employees (by title or name and title):

| | |
|-------|--------|
| Name: | Title: |
| Name: | Title: |
| Name: | Title: |
| Name: | Title: |
| Name: | Title: |
| Name: | Title: |

NOW, THEREFORE, BE IT RESOLVED, that the employees identified below ("Administrators") are authorized and empowered by the Board of Directors individually and singularly to grant access to Authorized Employees with the External Seller Set Up Manager role within Loan Selling Advisor.

Administrators (by title or name and title)

| | |
|-------|--------|
| Name: | Title: |
| Name: | Title: |
| Name: | Title: |
| Name: | Title: |

| | |
|-------|--------|
| Name: | Title: |
| Name: | Title: |

BE IT FURTHER RESOLVED, that, as used in this Resolution, (a) “Electronic” means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities, (b) “Record” means information that is inscribed on a tangible medium or that is stored in an Electronic or other medium (including paper) and is retrievable in perceivable form, (c) “Electronic Record” means a Record created, generated, sent, communicated, received, or stored by Electronic means, and includes a paper document converted into an Electronic Record, (d) “Electronic Signature” means an Electronic sound, symbol or process attached to, or logically associated with, a contract or other Record and executed or adopted by a person with the intent to sign the Record, and (e) “Electronic Transaction” means an action or set of actions occurring between two or more persons relating to the conduct of business, commercial, or governmental affairs, using Electronic means.

BE IT FURTHER RESOLVED, that each Authorized Employee is duly authorized individually and singularly to: (a) execute any and all paper Records and Electronic Records required by Freddie Mac to effectuate the authority set forth in this Resolution by: (i) affixing their original written signature to Records, (ii) attaching their Electronic Signature to or logically associating their Electronic Signature with Electronic Records that contain or communicate instructions (or modified instructions) to transfer funds (cash or securities) by wire transfer, ACH or other funds transfer system expressly approved by and designated by Freddie Mac, and (b) deliver any and all executed paper Records and Electronic Records to Freddie Mac as required.

BE IT FURTHER RESOLVED, that the Authorized Employees are duly authorized and empowered to singularly and individually engage in and conduct Electronic Transactions with Freddie Mac and use electronic means, electronic systems, Electronic Records, and Electronic Signatures on behalf of _____ [HFA’s Legal Name] to effectuate the authority set forth in this Resolution.

BE IT FURTHER RESOLVED, that any and all actions set forth herein taken by any Authorized Employee and/or Administrator on behalf of _____ [HFA’s Legal Name] are hereby ratified, approved, and confirmed.

Instructions: Freddie Mac Model Form of Resolution for Housing Finance Authorities (HFAs)

Consult with legal counsel regarding this Resolution. To use a different form of Resolution or to make changes to comply with laws, regulations, or otherwise, send a copy of the proposal for review to Freddie Mac at counterparty_authorization@freddiemac.com. Please insert:

1. The name of the HFA’s governing body, such as Board of Directors
2. The HFA’s legal name (examples: ABC Housing Finance Agency or XYZ Housing Finance Agency)
3. The date the Resolution was adopted or passed by the HFA’s governing body
4. The Authorized Employees’ titles or names and titles in the blank lines provided

Add “Exhibit A” at the top of the certified copy of the Resolution that you deliver to Freddie Mac.



FORM 99MI - Certificate of Incumbency For Mortgage Insurance Companies

I, _____, do hereby certify to the Federal Home Loan Mortgage Corporation ("Freddie Mac") that, with respect to _____, a _____ organized and existing under the laws of _____, ("Mortgage Insurer"), I am the duly appointed and acting [select one]: ☐ Secretary, ☐ Assistant Secretary ☐ In-house Counsel of Mortgage Insurer, and I further certify and agree as follows:

1. Attached as Exhibit A hereto is a true and correct copy of a resolution of the Board of Directors of Mortgage Insurer dated _____, 20____ (the "Resolution") that authorizes and empowers Mortgage Insurer's employees listed in Paragraph 2, (the "Authorized Employees") individually and singularly to enter into agreements with and provide Freddie Mac with instructions (or modified instructions) to transfer funds by wire transfer, Automated Clearing House ("ACH") or other funds transfer system expressly approved and designated by Freddie Mac ("Wire Instructions") in connection with mortgage insurance coverage of residential home loan Mortgages owned by Freddie Mac. The Resolution is in full force and effect and has not been amended.
2. Each Authorized Employee holds the position or title indicated across from his or her name and is duly authorized and empowered, individually and singularly, to: (a) execute any and all paper or instruments, documents, forms and other Records (as defined in Paragraph 4) required by Freddie Mac to effectuate the authority described in Paragraph 1 by affixing his or her original handwritten signature to paper Records or attaching his or her Electronic Signature to or logically associating it with (including copies or representations of the Authorized Employee's original written signature or Electronic Signature) Records (including Electronic Records), and (b) deliver such duly Records (including Electronic Records) to Freddie Mac.

Mortgage Insurer must identify at least two Authorized Employees:

| | | |
|-------------------|------------------------|-------------------|
| Name: | Position/Title: | Signature: |
| | | |
| Telephone: | E-mail Address: | |
| | | |

| | | |
|-------------------|------------------------|-------------------|
| Name: | Position/Title: | Signature: |
| | | |
| Telephone: | E-mail Address: | |
| | | |

| | | |
|-------------------|------------------------|-------------------|
| Name: | Position/Title: | Signature: |
| | | |
| Telephone: | E-mail Address: | |
| | | |

| | | |
|-------------------|------------------------|-------------------|
| Name: | Position/Title: | Signature: |
| | | |
| Telephone: | E-mail Address: | |
| | | |

| | | |
|-------------------|------------------------|-------------------|
| Name: | Position/Title: | Signature: |
| | | |
| Telephone: | E-mail Address: | |
| | | |

| | | |
|-------------------|------------------------|-------------------|
| Name: | Position/Title: | Signature: |
| | | |
| Telephone: | E-mail Address: | |
| | | |

| | | |
|-------------------|------------------------|-------------------|
| Name: | Position/Title: | Signature: |
| | | |
| Telephone: | E-mail Address: | |
| | | |

| | | |
|-------------------|------------------------|-------------------|
| Name: | Position/Title: | Signature: |
| | | |
| Telephone: | E-mail Address: | |
| | | |

3. The specimen signature set forth across from each Authorized Employee's name and position or title in Paragraph 2 is the true and genuine original written signature of such Authorized Employee or is an Electronic copy or representation of each such Authorized Employee's original written signature.
4. As used in this Certificate of Incumbency, (a) "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities, (b) "Record" means information that is inscribed on a tangible medium or that is stored in an Electronic or other medium (including paper) and is retrievable in perceivable form, (c) "Electronic Record" means a Record created, generated, sent, communicated, received, or stored by Electronic means, and includes a paper document converted into an Electronic Record, (d) "Electronic Signature" means an Electronic sound, symbol or process attached to, or logically associated with, a contract or other Record and executed or adopted by a person with the intent to sign the Record, and (e) "Electronic Transaction" means an action or set of actions occurring between two or more persons relating to the conduct of business, commercial, or governmental affairs, using Electronic means. For the avoidance of doubt, only an Electronic Signature that is appended to this Form 99MI in the signer's handwriting by means of an electronic stylus or an electronic image of the signer's handwritten ink signature on paper is acceptable to Freddie Mac. Generic digitized, font-based Electronic Signatures generated by electronic signing platforms are not acceptable.
5. Freddie Mac may conclusively rely on the accuracy, genuineness, good faith, validity, effectiveness and enforceability of any Record (including any Electronic Record) provided to Freddie Mac by Mortgage Insurer bearing or logically associated with the original written signature or Electronic Signature of an Authorized Employee.
6. Each of Mortgage Insurer's Authorized Employees is authorized and empowered to engage in and conduct Electronic Transactions to provide Freddie Mac, individually and singularly, with Wire Instructions, and Mortgage Insurer hereby consents to such Electronic Transactions.
7. By signing this form, Mortgage Insurer authorizes Freddie Mac to initiate debit/credit entries from the designated depository financial institution. Freddie Mac and Mortgage Insurer agree and acknowledge that their ACH transactions will comply with all applicable laws and the rules and terms of the National Automated Clearing House Association (NACHA) and Uniform Commercial Code 4A: Funds Transfer (UCC4A).
8. The information set forth in this Certificate of Incumbency is true and correct, and Freddie Mac may conclusively rely upon this Certificate of Incumbency, the Resolution, and other Record attached hereto or logically associated herewith that is delivered to Freddie Mac until Mortgage Insurer delivers a Certificate of Incumbency that Freddie Mac accepts as a replacement.

I am authorized by Mortgage Insurer to execute this Certificate of Incumbency, whether as an Electronic Record (including this Form 99MI) or otherwise. I am also authorized to represent and warrant to, and covenant and agree with Freddie Mac that Freddie Mac's receipt of this Certificate of Incumbency with a copy or representation of my original written signature attached thereto or associated therewith is receipt by Freddie Mac of Certificate of Incumbency duly executed by me using my adopted Electronic Signature, and such Certificate of Incumbency is as valid, effective and enforceable as Freddie Mac's receipt of a paper Record with my original written signature affixed thereto.

IN WITNESS WHEREOF, I have subscribed my name this ____ day of _____, 20____.

Name of Mortgage Insurer

By: _____
Signature of Person executing on behalf of Mortgage Insurer

Name of Person executing on behalf of Mortgage Insurer

Title of Person executing on behalf of Mortgage Insurer

Notary Acknowledgment

State of _____)

County of _____)

The foregoing instrument was acknowledged before me, a Notary Public, this ____ day of _____, 20____,

by _____, a _____ of
(Name of person signing) (Title of person signing)

(Mortgage Insurer name)

Notary Public Signature: _____

Notary Public Printed Name: _____

Commission Expires: ____ / ____ / ____

Notary Public State Registration Number: _____

(NOTARY SEAL)

**If raised seal, please shade over with pencil or
crayon so visible on copies**

FORM OF RESOLUTION FOR MORTGAGE INSURANCE COMPANIES

Exhibit A to Freddie Mac Form 99MI

RESOLUTION of _____ (“Mortgage Insurer”) dated _____:

WHEREAS, the Board of Directors of Mortgage Insurer is adopting this resolution (the “Resolution”) to authorize and empower Mortgage Insurer’s employees identified herein by name and/or title to enter into agreements with and to provide and modify wire transfer or Automated Clearing House (ACH) instructions to the Federal Home Loan Mortgage Corporation (“Freddie Mac”) to transfer funds (“Wire Instructions”) in connection with mortgage insurance coverage of residential home loan Mortgages owned by Freddie Mac (the “Mortgages”).

NOW, THEREFORE, BE IT RESOLVED, that each employee identified below (“Authorized Employees”) is authorized and empowered individually and singularly to enter into agreements with and to provide Freddie Mac with Wire Instructions in connection with the Mortgages. The Authorized Employees are:

Authorized Employees

| | |
|-------|-------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

FURTHER RESOLVED, that, as used herein, (a) “Electronic” means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities, (b) “Record” means information that is inscribed on a tangible medium or that is stored in an Electronic or other medium (including paper) and is retrievable in perceivable form, (c) “Electronic Record” means a Record created, generated, sent, communicated, received, or stored by Electronic means, and includes a paper document converted into an Electronic Record, (d) “Electronic Signature” means an Electronic sound, symbol or process attached to, or logically associated with, a contract or other Record and executed or adopted by a person with the intent to sign the Record, and (e) “Electronic Transaction” means an action or set of actions occurring between persons relating to the conduct of business, commercial, or governmental affairs, using Electronic means.

FURTHER RESOLVED, that each Authorized Employee is authorized and empowered, individually and singularly, to execute any and all instruments, documents, forms, Records and Electronic Records necessary or proper or required to effectuate the authority set forth herein by: (i) affixing his or her original written signature to paper instruments, documents, forms and/or other Records or (ii) attaching their Electronic Signature to or logically associating it with Electronic Records that contain or communicate Wire Instructions to transfer cash or securities by wire transfer, ACH or other funds transfer system designated by Freddie Mac.

FURTHER RESOLVED, that each Authorized Employee is authorized and empowered singularly and individually engage in and conduct Electronic Transactions with Freddie Mac and to use electronic means, electronic systems, Electronic Records and Electronic Signatures to effectuate the authority set forth herein.

FURTHER RESOLVED, that any and all actions described herein taken by any Authorized Employee on behalf of Mortgage Insurer are hereby ratified, approved and confirmed.

MEMORANDUM

To: Agency Members

From: Christopher Burns, Senior Manager of Technical Services
Kathleen Evans, Senior Director of Capital Deployment

Subject: Fiscal Year 2024 Capital Magnet Fund Award

Date: January 7, 2024

BACKGROUND

The Community Development Financial Institutions Fund (“CDFI”) was established with a mission to expand economic opportunity for underserved people and communities and to promote economic revitalization and community development. CDFI achieves its purpose through a number of initiatives promoting access to capital, including through its Capital Magnet Fund (“CMF”) which offers competitively awarded grants to finance affordable housing for low-income individuals and communities.

MASSHOUSING CMF AWARD HISTORY

MassHousing submitted its first application to participate in the CMF program during the FY 2019 award cycle and, to date, has been granted an award by the CMF in each of the following five award cycles:

- **FY 2019 CMF Award:** CMF award of \$2,250,000 to MassHousing for its Homeownership division (“FY 2019 CMF Award”), which was committed to provide subordinate down payment assistance loans under the MassHousing Workforce Advantage 2.0 Program.
- **FY 2020 CMF Award:** CMF award of \$5,800,000 (“FY 2020 CMF Award”). Pursuant to a vote of the Members on June 8, 2021, MassHousing initially allocated:
 - \$1,377,500 to its Homeownership division to provide subordinate down payment assistance loans under the MassHousing Workforce Advantage 2.0 Program (“FY 2020 Homeownership Award”),
 - \$4,132,500 to its Multifamily division to provide subordinate loans to multifamily housing developments (“FY 2020 Multifamily Award”), and
 - \$290,000 to be applied to direct administrative expenses, as permitted under the terms of the Assistance Agreement.

Pursuant to a vote of the Members on November 8, 2022, MassHousing re-allocated the FY 2020 Homeownership Award to its Multifamily division, resulting in a total of \$5,510,000 in FY 2020 Multifamily Award funds.

- **FY 2021 CMF Award**: CMF award of \$12,000,000 to MassHousing for its Multifamily division (“FY 2021 CMF Award”), to provide subordinate loans to multifamily housing developments.
- **FY 2023 CMF Award**¹: CMF award of \$12,000,000 to MassHousing for its Multifamily division (“FY 2023 CMF Award”), to provide subordinate loans to multifamily housing developments.
- **FY 2024 CMF Award**: CMF award of \$9,000,000 to MassHousing for its Multifamily division (“FY 2024 CMF Award”), to provide subordinate loans to multifamily housing developments.

FY 2024 CMF AWARD

Pursuant to the terms of the FY 2024 Capital Magnet Fund Assistance Agreement dated as of December 19, 2024, between MassHousing and CDFI (the “FY 2024 Assistance Agreement”), MassHousing was recently granted a \$9,000,000 CMF award. The FY 2024 Assistance Agreement permits MassHousing to use the grant funds on subordinate multifamily financing initiatives, as well as certain direct administrative expenses.

The Vice President of Multifamily Programs has established a staff loan review committee (the “CMF Multifamily Staff Review Committee”) that is comprised of MassHousing senior staff from multiple departments, including Rental Business, Rental Underwriting, Rental Management, Legal, Finance, Governmental Affairs, Communications & Policy, and Community Services. The CMF Multifamily Staff Review Committee will review and recommend loans for acceptance by the Vice President of Multifamily Programs and ensure that the FY 2024 CMF Award is committed and disbursed to developments that comply with the CMF Eligible-Income requirements. Additionally, the committee will provide oversight to ensure that the expenditure and utilization of the FY 2024 CMF Award complies with the FY 2024 Assistance Agreement and CMF requirements relating to multifamily loans, including, without limitation, with respect to disbursement of funds to economic distress areas, leverage requirements and eligible project costs. As the individual loans are to be made with grant funds from the FY 2024 CMF Award, and such loans are anticipated to be lower sized loans, Agency staff recommends that loan approval authority be delegated to the Chief Executive Officer and Vice President of Multifamily Programs, acting singly, as set forth in the votes below.

PROPOSAL

Accordingly, Agency staff recommend the following votes:

- VOTED:** To authorize the Agency to accept the \$9,000,000 award (the “FY 2024 CMF Award”) received by the Agency from the Community Development Financial Institutions Fund (“CDFI”) pursuant to the terms of the FY 2024 Capital Magnet Fund Assistance Agreement entered into on December 19, 2024, between CDFI and the Agency (the “FY 2024 Assistance Agreement”), and
- (i) allocate and deposit \$8,550,000 of the FY 2024 CMF Award to the Opportunity Fund (the “FY 2024 CMF Award Proceeds”); and
 - (ii) allocate and apply the remaining \$450,000 of the FY 2024 CMF Award to direct administrative expenses, as permitted under the FY 2024 Assistance Agreement.

¹ Due to delays at the CDFI in awarding FY 2021 funds, CDFI skipped FY 2022 awards and went straight to FY 2023.

FURTHER

VOTED:

To authorize the Chief Executive Officer or Vice President of Multifamily Programs, acting singly, in consultation with the CMF Multifamily Staff Review Committee, to approve, in writing, any loan to be made with the FY 2024 CMF Award Proceeds (each, a “Multifamily CMF Loan”), and to take or authorize any action with respect to a Multifamily CMF Loan approved pursuant to the votes set forth herein as they may deem necessary or advisable to preserve the rights and interests of the Agency, including but not limited to extensions, modifications and resubordinations of any Multifamily CMF Loan, Level I transfers in accordance with the Transfer of Ownership Policy and releases of collateral, in each case on such terms and conditions as the Chief Executive Officer or Vice President of Multifamily Programs shall require, as applicable, along with such agreements or documents as the General Counsel may deem necessary.

FURTHER

VOTED:

To authorize the Chief Executive Officer, Vice President of Multifamily Programs, Financial Director or General Counsel, each acting singly, to execute and deliver on behalf of the Agency such agreements or documents necessary or appropriate to implement the foregoing, the form and substance of which shall be acceptable to the General Counsel.

Capital Magnet Fund

FY2024 Award Proposal and Votes

Agency staff recommend the following votes:

1. To authorize the Agency to accept the **FY 2024 CMF Award** in the amount of \$9 million pursuant to the terms of the executed CMF Assistance Agreement, of which:
 - **\$8,550,000** will be deposited into the Opportunity Fund; and
 - **\$450,000** to be applied to direct administrative expenses.
2. To authorize the Chief Executive Officer or Vice President of Multifamily Programs, acting in consultation with the CMF Multifamily Staff Review Committee, to approve, in writing, any loan to be made with the FY 2024 CMF Award Proceeds.
2. To authorize the Chief Executive Officer, Vice President of Multifamily Programs, Financial Director or General Counsel, each acting singly, to execute and deliver on behalf of the Agency such agreements or documents necessary or appropriate to implement the foregoing, the form and substance of which shall be acceptable to the General Counsel.

Loan Commitment Proposal | January 14, 2025

Tackenash Knoll

| 1. General Project Information | |
|--------------------------------|--|
| Project Name | Tackenash Knoll |
| Project ID | 23-117 |
| Associated Projects | N/A |
| Address(es) | 85 Edgartown - Vineyard Haven Road Oak Bluffs, MA 02557 |
| Sponsor | Affirmative/IHT LLC |
| Transaction Type | Production (4%) |
| Funding Type | Forward Commitment of Permanent Loan |
| Execution Type | Portfolio (TE) |
| Credit Enhancement | HUD/FHA Risk-Sharing with 50% credit risk |
| Approval Type | Board |
| Total Rental Units | 60 |
| Affordability Mix | 43 Affordable 17 Workforce |

2. Recommended Actions

- Commitment of a Tax-Exempt and Taxable Permanent Loan
- Commitment of a Tax-Exempt Bridge Loan
- Commitment of a Workforce Housing Subordinate Loan
- Approval for the Use of Low-Income Housing Tax Credits

The proposed financing will support the new construction of Tackenash Knoll (the “Development”), a 60-unit affordable rental development in Oak Bluffs. A joint venture of Affirmative Investments and Island Housing Trust (the “Sponsor”) will construct twelve residential buildings and a community building on an undeveloped parcel of land owned by the Town of Oak Bluffs.

The Sponsor was selected through a competitive RFP process by the Town. As part of the RFP, the Town included a preference for units restricted at 120% of Area Median Income (“AMI”). This preference necessitated a condominium structure bifurcating the eight 120% of AMI units from the 52 LIHTC-eligible units in order to maximize the LIHTC equity raise and is addressed further in Underwriting Note #3.

MassHousing will make a permanent loan with separate tax-exempt and taxable tranches. The tax-exempt proceeds will be allocated to costs associated with the 52 LIHTC-eligible units only.

In December 2023 the Agency approved Official Action Status for the Development, then known as Southern Tier, pursuant to authority delegated by the Members of the Agency.

| 3. MassHousing Financing | |
|----------------------------|--|
| First Loan | |
| Type | Tax-Exempt and Taxable Permanent Loan |
| Loan Amount | Tranche A: \$7,974,000 tax-exempt tranche Tranche B: \$1,276,000 taxable tranche |
| Interest Rate | Tranche A: 30-Year MMD plus 252 basis points (bps) to be locked at Construction Loan Closing (processing rate of 6.52% assumed for underwriting) Tranche B: 10-Year Treasury plus 300 bps to be locked at Construction Loan Closing (processing rate of 7.70% assumed for underwriting) |
| Loan Term / Amortization | 40 y / 40 y |
| Term of Fwd Commitment | 30 mo |
| Year 1 DSCR | 1.16 projected (1.10 minimum) |
| LTV | TBD (90% maximum) |
| Equity Bridge Loan | |
| Type | Tax-Exempt Equity Bridge Loan |
| Loan Amount | \$14,035,000 |
| Interest Rate | SOFR plus 222 bps to be locked at Construction Loan Closing (projected at 6.78%) |
| Loan Term/Amortization | 6 mo / interest only |
| Junior Loan | |
| Type | Workforce Housing Loan |
| Loan Amount | \$2,550,000 |
| Interest Rate | 0% projected |
| Loan Term/Amortization | 40 y / non-amortizing |
| Terms of Cash Flow Sharing | To the extent there is cashflow during operations, 50% will be split between MassHousing and the other subordinate lenders on a pari-passu basis, with MassHousing's share being used to service principal on the Workforce Housing Loan. |

4. Development Plan

Description of Site. The Development will be located on a vacant, undeveloped 7.8-acre parcel of land owned by the Town of Oak Bluffs (the “Site”). The Site is approximately 3.5 miles from the centers of Oak Bluffs and Vineyard Haven, and 4.5 miles from Edgartown, and is serviced by a nearby bus stop providing access to all main points on the island. There is a YMCA facility, a skate park and ice arena located adjacent to the site, and Martha’s Vineyard Regional High School is a quarter mile away.

Description of Existing or Proposed Building. The proposal includes the new construction of twelve residential buildings with a total of 60 units and 90 surface parking spaces. Six buildings will contain three units each, five will contain six units each, and one will contain 12 units. The walk-up buildings will be constructed in a manner representative of the existing housing stock in the neighboring area. Also included is a community building with a property management office, maintenance area, large community room with Wi-Fi, covered bicycle storage to the rear of the building, along with resident mailboxes. The plan also provides walking path connections to the Southern Woodland open space to the north, the adjacent YMCA building and skating arena to the west and Martha’s Vineyard Regional High School to the south.

The Development was designed to Passive House standards and will be 100% electric. Photovoltaic panels installed on the roofs are projected to offset the electricity required for heating, cooling, and hot water. Residents will only pay for electricity from the outlets in their apartments. All other utility costs will be included in the rent.

Description of Affordability Mix. All 60 units will be subject to income restrictions ranging from 30% of Area Median Income (“AMI”) to 120% of AMI.

Sixteen units will benefit from project-based rental assistance, of which eight will benefit from Project-Based Section 8 HAP contract and eight will benefit from Project-Based MRVP.

Site Control. Site control will be through a 99-year ground lease with the Town of Oak Bluffs, which requires an initial payment of \$1 and \$1 annual payments.

5. Borrower Team

Mortgagor Entity: Tackenash Knoll LLC

A sole-asset, single-purpose entity formed for the purposes of owning and operating the Development.

Developer / Sponsor: Affirmative/IHT LLC

Affirmative/IHT LLC is comprised of Island Housing Trust Corporation (“IHT”) and Affirmative Investments, Inc. (“Affirmative Investments”).

IHT is a non-profit Community Land Trust organization that develops permanently affordable housing on Martha’s Vineyard. Over the past 15 years IHT has sold and rented 126 homes and apartments to year-round low- and moderate-income families in developments across the island.

Affirmative Investments was founded in 1983 and has extensive experience as both a developer and consultant. The company works throughout the country and has completed projects in 12 states ranging from Rhode Island to California.

IHT and Affirmative Investments also partnered on Meshacket Commons, an affordable home ownership and rental development in Edgartown where MassHousing will provide permanent financing for the rental portion.

General Partner / Managing Member: Tackenash Knoll Manager, LLC

The Managing Member is owned by Affirmative Investments, Inc. (51%) and Island Housing Trust Corporation (49%). While both entities will be involved in the day-to-day decision making at the Development, Affirmative Investments has ultimate decision-making authority.

Construction Lender: Rockland Trust Company (“Rockland Trust”)

Rockland Trust is a commercial bank based in Rockland, Massachusetts that serves Southeastern Massachusetts, Cape Cod, Martha’s Vineyard, and the MetroWest area. Established in 1907, it is a wholly owned subsidiary of Independent Bank Corp. Rockland Trust is also the construction lender on Meshacket Commons.

Syndicator / Investor: Stratford Capital Group, LLC

Stratford Capital Group (“Stratford”) is a recognized leader in the multifamily investment industry with a particular focus on affordable housing and investments benefiting from Low-Income Housing Tax Credits. Since 2007, Stratford Capital Group has successfully underwritten, sponsored and syndicated private equity in 225 multifamily rental apartment properties totaling approximately 25,614 apartment units in thirty-three (33) states with a capitalized value of approximately \$3.9 billion. Stratford is also the syndicator in Meshacket Commons.

Stratford Capital Group’s multifamily focus centers on Tax Credit syndication and development as well as comprehensive ongoing asset and fund management.

Management Company: The Community Builders, Inc.

The Community Builders, Inc. (“TCB”) is a MassHousing-approved management agent with over 2,100 units under management in MassHousing’s debt portfolio and more than 11,000 apartments owned or managed across fourteen states and Washington D.C.

Architect: Union Studio

Union Studio is a nationally practicing, mission-based firm committed to designing sustainable projects. Their work includes urban planning and community design, civic and institutional buildings, mixed-use developments, and housing of all types. Union Studio was the architect on IHT’s Perlman House development, which was completed in 2021 with MassHousing financing, and the Sponsor’s Meshacket Commons development, which is currently in construction.

General Contractor: Dellbrook | JKS

Dellbrook | JKS is one of the largest construction companies in New England and has been in operation for over 30 years. The firm has extensive experience in overseeing the new construction of sustainable multi-family buildings throughout Massachusetts. Dellbrook | JKS is familiar to the agency and is serving as the general contractor on active projects such as Meshacket Commons and Cape Cod Five Redevelopment.

| 6. Summary of MassHousing-Sponsor Relationship | |
|--|-------------|
| Number of Projects with MassHousing Debt* | 4 |
| Total Units with MassHousing Debt* | 82 |
| Outstanding MassHousing Principal Debt* | \$5,099,008 |
| Adverse Actions Against the Borrower Team | No |
| Current on Obligations with MassHousing | Yes |
| Property Management Affiliate | No |

*Represents a combination of AI's and IHT's individual projects with MassHousing

| MassHousing Staff | |
|-------------------|---|
| Origination | Jeff Geller, Originator Matt Deych, Analyst |
| Underwriting | Josh Schaperow, Underwriter John Collins, Analyst |
| Asset Management | Lee-Anne Brooks, Portfolio Manager Vivian Almeida, Asset Manager |

7. Unit Mix

| | | LIHTC Eligible | | | | | | | | | | |
|-----------|-------------|----------------|---------|---------|---------|---------|---------|---------|---------|----------|---------|-------------------|
| Unit Size | Total Units | 30% AMI | | 50% AMI | | 60% AMI | | 80% AMI | | 120% AMI | | Market Comparison |
| | | Section 8 | | MRVP | | | | | | | | |
| | | Count | Rent | Count | Rent | Count | Rent | Count | Rent | Count | Rent | |
| 1 BR | 12 | 2 | \$1,884 | 2 | \$1,713 | 5 | \$1,470 | 2 | \$1,960 | 1 | \$2,269 | \$2,302 |
| 2 BR | 42 | 5 | \$2,444 | 4 | \$2,222 | 21 | \$1,764 | 6 | \$2,352 | 6 | \$2,724 | \$2,784 |
| 3 BR | 6 | 1 | \$3,425 | 2 | \$3,114 | 1 | \$2,038 | 1 | \$2,717 | 1 | \$3,146 | \$3,421 |
| Total | 60 | 8 | | 8 | | 27 | | 9 | | 8 | | |
| | | | | | | | | | | | | |

| Project-Based Rental Subsidy | | |
|-------------------------------------|--------------------------------|--------------------------------|
| Type | MRVP | Section 8 |
| Term | 15 y | 20 y |
| Administrator | Housing Assistance Corporation | Housing Assistance Corporation |
| Lesser of contract or market rents. | | |

8. Operating Overview

Underwritten Operating Expenses \$747,000 (approximately \$12,500 per unit)

Basis of Operating Costs. Operating expense assumptions are based on the review of comparable properties, borrower-proposed budget, and borrower supporting documentation.

The operating budget includes funding for a part-time Resident Services Coordinator. The coordinator will be employed by TCB as part of its Community Life program and will also work part-time at the Sponsor's Meshacket Commons development in Edgartown.

9. Project Costs

| Core Residential Costs | |
|--|--------------|
| Base | \$31,660,771 |
| Extraordinary | \$16,603,227 |
| Total | \$48,263,998 |
| Commercial, Site and Other Non-Residential Costs | |
| Commercial Costs | \$0 |
| Site and Other Non-residential Costs | \$930,914 |
| Total | \$930,914 |
| Total Development Cost | |
| Total | \$49,194,912 |

| Project Construction Costs | |
|------------------------------|--------------|
| Total Construction Cost | \$36,167,177 |
| Construction per Square Foot | \$538 |

Background on Extraordinary Residential Costs. The Development's location on Martha's Vineyard and the complexity of transporting materials, equipment, and workers to the island is the primary driver of extraordinary costs. Dellbrook estimates the island location adds a 40% premium to development costs.

Background on Commercial, Site and Other Non-Residential Costs. Non-residential costs carried in the development budget include construction of a 1,547-square foot community building containing meeting rooms and a storage area for mechanical and maintenance equipment. Earth work, site preparation, landscaping and paving related to the community building are included in the non-residential costs.

10. Sources and Uses

| Sources of Funds | Total |
|---------------------------------------|---------------------|
| MH Permanent Loan | \$8,480,000 |
| Workforce Housing | \$2,550,000 |
| Federal LIHTC | \$18,406,283 |
| State LIHTC / Solar Tax Credits | \$8,349,250 |
| EOHLC - HOME, AHTF, HSF, NHTF, CATNHP | \$6,000,000 |
| Oak Bluffs | \$750,000 |
| IHT Grant | \$3,655,500 |
| Accrued Soft Debt Interest | \$274,463 |
| Deferred Dev Fee | \$729,416 |
| Total Sources | \$49,194,912 |

| Core Residential Uses of Funds | Total | Per Unit |
|--------------------------------|---------------------|------------------|
| Acquisition | \$1 | \$1 |
| Construction | \$35,334,554 | \$588,909 |
| Construction Contingency | \$1,766,727 | \$29,445 |
| General Development | \$7,388,430 | \$123,141 |
| Operating Reserves | \$642,694 | \$10,712 |
| Overhead | \$1,565,796 | \$26,097 |
| Fee | \$1,565,796 | \$26,097 |
| Total Residential Uses | \$48,263,998 | \$804,400 |

| Base Costs | Per Unit | Extraordinary Costs | Per Unit |
|---------------------|------------------|---------------------|------------------|
| \$1 | \$1 | \$0 | \$0 |
| \$21,200,732 | \$353,346 | \$14,133,821 | \$235,564 |
| \$1,060,036 | \$17,667 | \$706,691 | \$11,778 |
| \$7,135,430 | \$118,924 | \$253,000 | \$4,217 |
| \$385,616 | \$6,427 | \$257,078 | \$4,285 |
| \$939,478 | \$15,658 | \$626,319 | \$10,439 |
| \$939,478 | \$15,658 | \$626,319 | \$10,439 |
| \$31,660,771 | \$527,680 | \$16,603,227 | \$276,720 |

| | |
|------------------|-----|
| Commercial Uses* | \$0 |
|------------------|-----|

| | |
|-------------------------------------|-----------|
| Site and Other Nonresidential Uses* | \$930,914 |
|-------------------------------------|-----------|

| | |
|-------------------|---------------------|
| Total Uses | \$49,194,912 |
|-------------------|---------------------|

*Includes applicable hard costs, contingency, soft costs, overhead and fee

11. First Year Income and Expenses

| Income | | |
|--|------|-------------|
| Rental Income – Project-Based Rental Subsidy | | \$1,046,280 |
| Rental Income – Non-Rental Subsidy | | \$450,804 |
| Gross Potential Residential Income | | \$1,497,084 |
| Vacancy – Project-Based Rental Subsidy | 2.5% | (\$41,485) |
| Vacancy – Non-Rental Subsidy | 3.8% | (\$11,270) |
| Other Income – Laundry | | \$6,000 |
| Effective Gross Income | | \$1,450,329 |

| Expenses | | |
|--------------------------------|--|-------------|
| Residential Operating Expenses | | \$747,004 |
| Net Operating Income | | \$703,325 |
| Debt Service | | (\$608,857) |
| Cash Flow | | \$94,468 |

Debt Service Coverage 1.16

| Residential Operating Expense Detail | | | <i>Per Unit</i> |
|---|------|-----------|-----------------|
| Management Fee | 6.0% | \$87,020 | \$1,450 |
| Administrative Costs | | \$169,311 | \$2,822 |
| Maintenance Costs | | \$249,626 | \$4,160 |
| Resident Services | | \$35,000 | \$583 |
| Security | | \$0 | \$0 |
| Utilities (water and sewer, hot water) | | \$63,387 | \$1,056 |
| Insurance | | \$60,000 | \$1,000 |
| Taxes | | \$31,460 | \$524 |
| Replacement Reserves | | \$30,000 | \$500 |
| Mortgage Insurance Premium | | \$21,200 | \$353 |
| Total | | \$747,004 | \$12,450 |

Operating Expenses as a Percent of EGI 51.5%

12. Underwriting

1. **Loan Sizing.** The Sources and Uses in this commitment proposal reflect a Projected Loan amount of \$8,480,000. The MassHousing Financing Summary in Section 3 above and the Votes below allow for an “Up To” Loan amount of \$9,250,000. The final loan amount will be set when the interest rate is locked at construction closing, such that MassHousing’s debt service coverage ratio and loan to value benchmarks will be met.

To the extent that the final loan amount is greater or less than \$8,480,000, MassHousing will confirm that other sources will be adjusted as necessary to maintain a balanced sources and uses.

2. **Average Income Set-Aside.** The Sponsor proposes the use of average income set-aside for this transaction. All 80% of AMI units are eligible for tax credits, and the unit mix provides an average income restriction of 57.3%, which is below the EOHLC maximum average income restriction of 59% of AMI. The use of this average income set-aside is subject to EOHLC’s approval.
3. **Condominium Structure.** To achieve the aggregate affordability needed to pass the Average Income Test, the Sponsor proposes a condominium structure, with one unit containing the 52 tax credit units and the other containing the eight 120% of AMI units. Both units will be owned by the borrower entity. MassHousing’s loans will be secured by both condominium units.
4. **Ground Lease.** The Borrower will enter into a 99-year ground lease with the Town of Oak Bluffs at construction closing, with an upfront payment of \$1 and annual lease payments of \$1. MassHousing review and approval of the ground lease documents will be required prior to loan closing.
5. **Delayed Investor Admission.** The Borrower has proposed an ownership structure under which its non-profit Sponsor would retain a 100% ownership interest through much of the construction phase, which will allow the Borrower to benefit from the Sponsor’s sales tax exemption and result in approximately \$600,000 in savings on the costs of construction materials. The Investor Member’s initial financial participation at construction closing will be in the form of a loan, which will effectively convert to equity when the Investor Member joins the ownership entity. This structure is permitted under MassHousing’s Delayed Equity Investor Admission Policy effective May 22, 2018.
6. **Massachusetts Endangered Species Act (“MESA”).** The Development will be built within the habitat of a threatened species, the Imperial Moth. The Sponsor has received a MESA checklist outlining the conditions required for the Development to be in compliance. The Sponsor has confirmed that all conditions will be met prior to closing.

7. **Municipal Pump on Property.** There is a pump station, operated by the Oak Bluffs Water Department, on the southwest corner of the Site. The purpose of the station is to increase water pressure to systems along the Edgartown-West Tisbury Road. The Sponsor is confirming that the appropriate easements are in place.
8. **Third Party Reports.** The MassHousing-commissioned appraisal is currently underway. To the extent that the report changes the underwritten rents, loan-to-value, or replacement reserve deposit amounts, the loan size may be adjusted accordingly.

| Underwriting Criteria and Loan Terms | Tackenash Knoll | Underwriting Standards |
|--|---|--|
| 1. DSCR | 1.16 | Minimum of 1.10 |
| 2. Term/Amortization | 40 y / 40 y | 30-40 y, fully-amortizing |
| 3. Loan to Value | TBD | Maximum of 90% based on third party "as-proposed" investment value |
| 4. Underwriting Rents | Lesser of Project-Based Section 8 ("PBS8") contract or market supported rents | Lesser of: <ul style="list-style-type: none"> • PB-Rental Subsidy contract or market supported rents • Programmatic rent cap or rents supported by MassHousing market review. |
| 5. Vacancy Allowance | 2.5% for MRVP/S8 3.0% for 60% AMI 5.0% for 80/120% AMI | Minimum of: <ul style="list-style-type: none"> • 2.5% for PB – Rental Subsidy • 3.0% for LIHTC • 5.0% for unrestricted or workforce housing |
| 6. Affordability | 40% at 60% of AMI | Minimum of: <ul style="list-style-type: none"> • 20% at 80% of AMI for MassHousing Statute • 40% at 60% or 20% at 50% of AMI for loans with FHA Insurance, HUD/FFB, Tax-Exempt Bond, and/or Federal LIHTC |
| 7. Annual Deposits to Replacement Reserves | \$500 unit / year, as required by Stratford Capital Group. | Minimum of: <ul style="list-style-type: none"> • \$360 unit / year (new construction) • \$500 unit / year (rehab) Note: Additional initial deposit to reserves may be required by the third-party CNA to fund twenty-year capital needs. |
| 8. Operating Expenses | Approximately \$12,450 unit / year | Typically, between \$11,000 and \$15,000 per unit. |

13. Low-Income Housing Tax Credits

The Developer has included in its financing proposal a request for the use of 4% Low-Income Housing Tax Credits (the “4% Credits”). The 4% Credits may be utilized as a result of the funding of a portion of the financing with tax-exempt bonds or notes of MassHousing which are to be issued under Section 142 of the Internal Revenue Code of 1986, as amended (the “Code”) and are subject to a volume capacity allocation under Section 146 of the Code.

Use of the 4% Credits must be approved by EOHLC as the “housing credit agency” under Section 42 of the Code who must make the determination required under Section 42(m)(1)(D) of the Code that the development and financing proposal meets the requirements of the Commonwealth’s Qualified Allocation Plan. In addition, MassHousing, as the issuer of tax-exempt obligations which generate the 4% Credits must determine under Section 42(m)(2)(D) of the Code that the amount of 4% Credits does not exceed the amount necessary for the financial feasibility and long-term viability of the development. Such determination shall be made applying the standards set forth in the proposed Board vote herein, as required by Section 42(m)(2)(B) of the Code.

Tackenash Knoll VOTES AND FINDINGS

PROPOSALS AND VOTES

Mortgage Loans

Staff has reviewed the proposal for (i) permanent and equity bridge financing, (ii) subordinate financing and (iii) the use of Low-Income Housing Tax Credits and proposes the following votes for approval:

VOTED: To approve the findings and determinations set forth below and to authorize (a) a permanent first mortgage loan in a principal amount of up to \$9,250,000, such first loan to be insured under the HUD FHA Risk Sharing Program; and (b) a subordinate equity bridge mortgage loan in a principal amount of up to \$14,035,000, in each case to be made to Tackenash Knoll LLC or another single-purpose entity controlled by Affirmative Investments, Inc. and Island Housing Trust Corporation (the “Borrower”) as owner of the multifamily residential development known as “Tackenash Knoll” (the “Development”) and located in Oak Bluffs, Massachusetts, and in accordance with the applicable general closing standards and delegations of authority previously approved, and further subject to (1) compliance with all applicable laws and all regulations and requirements of applicable financing programs, and (2) the following special conditions: None.

FURTHER VOTED: To approve a subordinate mortgage loan to the Borrower for the Development in an amount not to exceed \$2,550,000 (1) to be funded from that portion of the Opportunity Fund approved by the Members of MassHousing on March 8, 2016, designated and reserved for workforce housing programs, or from funds appropriated or awarded to MassHousing by the Commonwealth of Massachusetts for workforce or middle-income housing programs, and (2) subject to the terms and conditions of MassHousing’s Workforce Program Guidelines adopted by the Members on July 12, 2016, as amended, and to any applicable delegations of authority previously approved by the Members of MassHousing.

FURTHER VOTED: To authorize the Chief Executive Officer, the Chief Legal and Operating Officer, and the Vice President of Multifamily Programs, and their respective designees, each acting singly, to permit the Borrower to enter into, or assume, mortgage loans with third parties with respect to the Development, provided that (1) any such mortgage loans shall be subordinated to MassHousing’s first mortgage loan, and other

MassHousing debt as determined by the Chief Executive Officer, the Chief Legal and Operating Officer, or the Vice President of Multifamily Programs, and (2) such subordinate mortgage loans shall be subject to MassHousing's requirements pertaining to subordinate mortgages, in a manner acceptable to MassHousing's General Counsel or her designee.

4% Low-Income Housing Tax Credits

VOTED: That the amount of 4% Credits, as set by the Chief Executive Officer, the Chief Legal and Operating Officer, the Vice President of Multifamily Programs, the Senior Director of Capital Deployment, the Director (or Senior Director) of Rental Underwriting, the General Counsel or the designee of any of the foregoing, prior to loan closing, to be used in connection with the Development will not exceed the amount which is necessary for the financial feasibility of the Development and its viability as a qualified low-income housing project throughout the credit period, having taken into consideration:

(a) the sources and uses of funds and the total financing planned for the Development;

(b) any proceeds or receipts expected to be generated by reason of tax benefits;

(c) the percentage of the tax credit amount used for Development costs other than the cost of intermediaries; and

(d) the reasonableness of the developmental and operational costs of the Development, provided, however, that such determination shall not be construed to be a representation or warranty as to the feasibility or viability of the Development.

FURTHER VOTED: To authorize the Chief Executive Officer, the Chief Legal and Operating Officer, the Vice President of Multifamily Programs, the Senior Director of Capital Deployment, the Director (or Senior Director) of Rental Underwriting, the General Counsel or the designee of any of the foregoing, each acting singly, to set the amount of 4% Credits to be used in connection with the Development applying the standards set forth in the immediately preceding vote.

STATUTORY FINDINGS AND DETERMINATIONS

Statutory Findings:

The Loan(s) will be financed under the provisions of Section 5 of MassHousing's enabling act, Chapter 708 of the Acts of 1966, as amended (the "Act"). Pursuant to Section 5(g) of the Act, staff makes the following findings for the proposed Development:

1. The affordability of rents for 20% of the units:

Fifty-two units (86.67%) in the Development will be affordable to low-income persons and families, as specified in the Act, at the adjusted rentals shown in the rent schedule below.

2. Shortage of Affordable Housing Units in the Market Area

Note: The market needs data reflects market conditions as of the date of collection on November 25, 2024. Further, the reader is cautioned and reminded that the conclusions presented apply only as of the collection date.

In-house data for larger market and mixed-income complexes (560 approximate units) in the area revealed a strong market, with increasing rental and occupancy rates over the past three years. Current occupancy rates of the five developments reviewed averaged approximately 97.4 % and ranged between 85% and 100%. One of the comparables was offering 4 weeks free rent with a 12-month lease.

4th Qtr. 2024 CoStar data for the subject's South Plymouth County (9,948 units) has an overall vacancy rate at 4.0% YTD, which is a decrease of 4.57% from one year ago. CoStar data for the Boston market (283,006 units) has an overall vacancy rate of 5.3% YTD, which is a decrease of .21% from one year ago. The South Plymouth County submarket vacancy rate is projected to stay at to 4.0% over the next five years, while the Boston market is projected to decrease to 5.0%.

CoStar, submarket data for the 4-5 Star building type (2,861 units) indicates a 4th Qtr. 2024 vacancy rate of 8.8% and an average asking rent of \$2,656, while submarket data for the subject's 3 Star building type (3,301 units) indicates a 4th Qtr. 2024 vacancy rate of 2.4% at an average asking rent of \$2,419 and 1-2 Star buildings (3,786 units) indicates a 4th Qtr. 2024 vacancy rate of 1.6% at an average asking rent of \$1,944. The development with its amenities, more closely reflects the 3 Star building type, and is reflected in both the vacancy rate and market rent potential.

According to Executive Office of Housing and Livable Communities (EOHLC) Chapter 40B Subsidized Housing Inventory (6/29/23), the town of Oak Bluffs has 2,518 year-round housing units, 118 (4.69%) of which are subsidized for low/moderate income households

The Dukes County Regional Housing Authority (DCRA) manages 95 year-round rental apartments consisting of eleven SRO's, three studio apartments, 48 one-bedroom apartments, 28 two - bedroom apartments and 16 three-bedroom apartments, which serve over 190 island residents who

make less than 80% of the area median income. Per the representative, there are 231 applicants on the DCRHA waiting list. Per the representative of DCRA, they do not administer any Housing Choice Vouchers (HCV). Applicants looking for affordable housing in the Tisbury area can contact Housing Assistance Corporation (HAC). HAC is the regional administrator for Section 8 Vouchers on the Cape and works closing with other town housing authorities. Also, per the representative of DCRA, Island Elderly Housing (IEH) manages 165 apartments for low-income elderly/ disabled residents. These apartments are subsidized by HUD and the USDA-Rural Development, and the waiting lists are maintained by IEH.

U.S. Census data from the 2018-2022 American Community Survey (ACS) indicates that of the 728 households in the Town of Oak Bluffs, approximately 74.8 % earned less than the HUD published 2024 AMI (\$124,900), approximately 50.9% earned less than 50% of 2024AMI, approximately 58.3% earned less than 60% of the 2024AMI and approximately 64.89% earned less than 80% of the 2024AMI.

3. Inability of Private Enterprise Alone to Supply Affordable Housing

MassHousing staff has completed an analysis of the market rate rents, as defined by Agency statute, which absent MassHousing financing, would be required to support the development and operations of the Development. Based on the substantial difference between these market rents (shown in the Rent Schedule below) and the rents for this project, MassHousing staff finds that private enterprise alone cannot supply such housing.

4. No Undue Concentration of Low-income Households

The financing herein proposed does not lead to the undue concentration of low-income households.

5. Elimination or Repair of Unsafe or Unsanitary Dwelling Units

As evidenced by data cited in Finding No. 2 above, there is an acute shortage of decent, safe, and sanitary housing available to low-income persons and families in the general housing market area of the Development. Although staff is not aware of units within the same market area that require demolition or compulsory repair, by preserving the affordable housing proposed here, those in need of affordable housing will not be forced to accept residence in substandard units. So long as the acute shortage of affordable housing persists, actions of public agencies to increase the supply of affordable housing will reduce the market forces that allow unsafe and unsanitary units to persist. In addition, MassHousing, through its administration of housing programs, and other public agencies (e.g., local enforcement of building codes), continue to require repair of substandard units as such units are identified.

Rental Determinations:

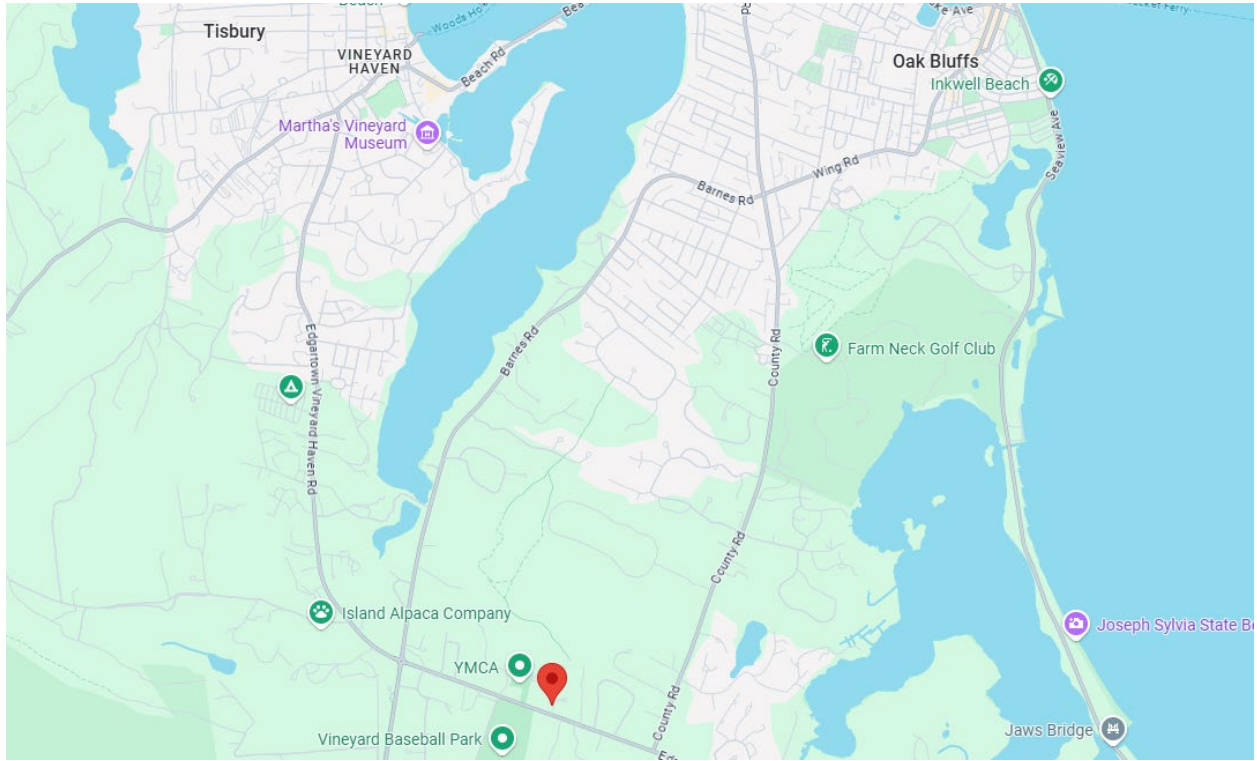
Pursuant to Section 6(a) of the Act, MassHousing makes the following rental determinations for units within the proposed Development:

Rent Schedule:

| | | | |
|--|----------------|-----------|-----------|
| Number of Bedrooms | 1 | 2 | 3 |
| Number of Units | 12 | 42 | 6 |
| Net SF/Unit | 721 | 974 | 1,326 |
| Elev./Non-Elev. | Non-Elev. | Non-Elev. | Non-Elev. |
| Market Rate Rent (10% Rate 20 Year Term) | \$6,519 | \$6,893 | \$7,717 |
| MHFA Below Market Rent (Cost-Based Rent) | \$4,366 | \$4,740 | \$5,564 |
| MHFA Adjusted Rent | 30% of 60% AMI | | |
| Underwriting Rents | | | |
| MRVP | \$1,713 | \$2,222 | \$3,114 |
| Section 8 | \$1,884 | \$2,444 | \$3,425 |
| 60% AMI | \$1,470 | \$1,764 | \$2,038 |
| 80% AMI | \$1,960 | \$2,352 | \$2,717 |
| 120% AMI | \$1,955 | \$2,209 | \$2,865 |

Based on this information, MassHousing staff finds that a significant need exists for the type of development proposed here, that private enterprise alone cannot supply such housing, and that the financing of the Development will not create or contribute to an undue concentration of low-income persons or adversely impact other housing in the area.

MAP AND PICTURES



Loan Commitment Proposal | January 14, 2025

Tackenash Knoll



| | |
|--------------------|---|
| Location | Oak Bluffs |
| Sponsor | Affirmative/IHT LLC |
| Transaction Type | Production (4%) |
| Funding Type | Forward Commitment of Permanent Loan |
| Execution Type | Portfolio (TE) |
| Credit Enhancement | HUD/FHA Risk-Sharing with 50% credit risk |
| Total Rental Units | 60 |
| Affordability Mix | 43 Affordable 17 Workforce |

Deal Team Members

| | |
|------------------|---------------------------------|
| Origination | Jeff Geller, Matt Deych |
| Underwriting | Josh Schaperow, John Collins |
| Asset Management | Vivian Almeida, Lee-Anne Brooks |

Tackenash Knoll | Oak Bluffs



Borrower Team

| | |
|--------------------------------------|---|
| Mortgagor Entity | Tackenash Knoll LLC |
| Developer / Sponsor | Affirmative/IHT LLC |
| General Partner / Managing Member | Tackenash Knoll Manager, LLC Affirmative Investments, Inc. (51%) Island Housing Trust (49%) |
| Construction Lender | Rockland Trust Company |
| Syndicator / Investor | Stratford Capital Group |
| Management Company | The Community Builders, Inc. |
| Architect | Union Studio |
| General Contractor | Dellbrook JKS |

Unit Mix

| | | LIHTC-Eligible* | | | | | | | | | | |
|-----------|-------------|-----------------|---------|----------------|---------|---------|---------|---------|---------|----------|---------|-------------------|
| Unit Size | Total Units | 30% AMI (S8) | | 50% AMI (MRVP) | | 60% AMI | | 80% AMI | | 120% AMI | | Market Comparison |
| | | Count | Rent | Count | Rent | Count | Rent | Count | Rent | Count | Rent | |
| 1 BR | 12 | 2 | \$1,884 | 2 | \$1,713 | 5 | \$1,470 | 2 | \$1,960 | 1 | \$2,269 | \$2,302 |
| 2 BR | 42 | 5 | \$2,444 | 4 | \$2,222 | 21 | \$1,764 | 6 | \$2,352 | 6 | \$2,724 | \$2,784 |
| 3 BR | 6 | 1 | \$3,425 | 2 | \$3,114 | 1 | \$2,038 | 1 | \$2,717 | 1 | \$3,146 | \$3,421 |
| Total | 60 | 8 | | 8 | | 27 | | 9 | | 8 | | |

** Rents are net of utility allowance*

Project Costs

| Core Residential Costs | |
|--------------------------------------|--------------|
| Base | \$31,660,771 |
| Extraordinary | \$16,603,227 |
| Total | \$48,263,998 |
| Commercial and Non-Residential Costs | |
| Commercial Costs | \$0 |
| Site and Other Non-Residential Costs | \$930,914 |
| Total | \$930,914 |
| Total Development Cost | |
| Total | \$49,194,912 |

| Project Construction Costs | |
|------------------------------|--------------|
| Total Construction Cost | \$36,167,177 |
| Construction per Square Foot | \$538 |

Sources and Uses

| Sources of Funds | | | Uses of Funds | |
|---------------------------------------|---------------------|--|--------------------------|---------------------|
| MH Permanent Loan | \$8,480,000 | | Acquisition | \$1 |
| Workforce Housing | \$2,550,000 | | Construction | \$36,167,177 |
| Federal LIHTC | \$18,406,283 | | Construction Contingency | \$1,808,359 |
| State LIHTC / Solar Tax Credits | \$8,349,250 | | General Development | \$7,388,431 |
| EOHLC - HOME, AHTF, HSF, NHTF, CATNHP | \$6,000,000 | | Operating Reserves | \$642,694 |
| Oak Bluffs | \$750,000 | | Overhead | \$1,594,125 |
| IHT Grant | \$3,655,500 | | Fee | \$1,594,125 |
| Accrued Soft Debt Interest | \$274,463 | | | |
| Deferred Dev Fee | \$729,416 | | | |
| Total Sources | \$49,194,912 | | Total Uses | \$49,194,912 |

Underwriting Notes

1. Loan Sizing
2. Average Income Set-Aside
3. Condominium Structure
4. Ground Lease
5. Delayed Investor Admission
6. Massachusetts Endangered Species Act
7. Municipal Pump on Property
8. Third-Party Reports

Recommended Votes

- Commitment of a Permanent Tax-Exempt Loan
- Commitment of a Tax-Exempt Bridge Loan
- Commitment of a Workforce Housing Loan
- Approval for the use of Low-Income Housing Tax Credits

Asset Protection Loan Approval | January 14, 2025

Whitney Carriage Park

| 1. General Project Information | |
|--------------------------------|--|
| Project Name | Whitney Carriage Park |
| Project ID | 86-030 |
| Associated Projects | N/A |
| Address(es) | 124 Water St, Leominster, MA 01453 |
| Sponsor | Farragut Investments, Inc. |
| Transaction Type | Workout |
| Funding Type | Asset Protection Loan |
| Execution Type | Taxable Subordinate Loan |
| Credit Enhancement | None |
| Approval Type | Board |
| MH Risk Rating | Financial: D Physical Condition: C Compliance: B |
| Total Rental Units | 182 |
| Affordability Mix | 136 Market 46 Affordable |

2. Recommended Actions

- Commitment of a taxable Asset Protection Loan
- Forbearance of Cash Flow Payment Obligations on existing loans

The proposed financing will support the partial renovation of Whitney Carriage Park (the “Development”), a 182-unit development in Leominster.

This proposal is one step in a series of efforts to stabilize the physical and financial condition of the Development.

Background

The original Whitney Carriage Park produced baby carriages, and the complex was converted to residential use in 1987 with a MassHousing first mortgage, a “shallow subsidy” state-funded loan through the State Housing Assistance for Rental Production (“SHARP”), and Rental Development Action Loans (“RDAL”) funding from what was then known as the Department of Housing and Community Development as an effort to spur housing production. SHARP underwriting projected a steep rise in market rents, along with relatively low operating costs, and the repayment of subsidy loans within fifteen years. While a subset of the 82 so-called SHARP

developments were able to maintain adequate debt service coverage and ultimately repaid the subsidy loans, the majority faced challenges.

In 2000, the portfolio of remaining SHARP developments was restructured and a subset of eight (8) developments, including the Development, were bound together in a transaction known as the Dilution Pool. One of the components of the transaction was a Guarantee Loan Agreement between the investors in the developments and MassHousing, under which MassHousing guaranteed certain after-tax investment benefits to the Investors in return for nearly \$14,300,000 of new capital invested and fee income paid to MassHousing. The term of the guarantee was thirty (30) years, with both an annual and cumulative return on investment guaranteed.

In the early-2010s, MassHousing worked with many owners of SHARP developments to achieve refinancing transactions that met long-term capital needs and repaid or restructured SHARP mortgages through the SHARP Refinancing Initiative (“SRI”). At that time, the Development was unable to execute such a refinancing due to discord within the ownership group. Farragut Investments, Inc. (the “Sponsor”) expended significant capital and time to obtain a controlling interest and has been working since that time to stabilize the physical and financial condition of the Development.

In 2019, the Sponsor sought a financing package modeled on the SRI, and MassHousing provided a \$10,900,000 FFB First Mortgage Loan along with a \$4,128,757 SHARP Capital Needs Loan; at that time, the \$18,827,059 in unpaid principal on the previous first mortgage was replaced by a new so-called “B-Note” and the existing B-2, SHARP, RDAL, and City of Leominster Housing Development Action Grant (“HoDAG” or “HDG”) notes were all deferred and resubordinated. These proceeds were deemed sufficient to address both short-term and long-term physical needs at the Development in line with the Agency’s capital needs policy. Immediate scope to be undertaken within the first twelve (12) months to address critical repairs included the replacement of historic windows, extensive exterior and roof repairs, and accessibility updates. Additional scope included common space improvement projects, HVAC repair and replacement, upgrades to the security system, installation of a building energy management system and other significant energy efficiency upgrades, as well as site work including paving and landscaping, maintenance of the swimming pool deck and construction of a new playground. An additional set of improvements that included enhancements to the leasing office and renovated exercise facilities were not deemed necessary by the capital needs assessment but were planned and undertaken by the Sponsor; owner equity was the only source of funds to support that work.

In 2020, the Sponsor began this scope of work. However, both the time and cost necessary to complete the immediate scope increased dramatically due to the COVID pandemic and an increase in the complexity and severity of needs at the Development. Ultimately, the one-year timeline stretched to a four-year construction period, and funds for immediate repairs were

inadequate, which forced the Sponsor to draw on replacement reserves and their own equity to complete the short-term scope.

To keep the Development current on debt service, fund some critical capital needs, and complete some non-critical repairs, the Sponsor has contributed nearly \$10,000,000 in equity over the past five years.

Construction and Physical Condition

Between 2020 and present, failing systems and structures meant that capital work planned for later years became immediately necessary, and new, unanticipated capital needs began to emerge. While the condition of the Development has been greatly improved, the current estimation of long-term capital needs greatly exceeds what was planned for at the time of the 2019 financing.

The increase in scope and cost is rooted in and driven by challenges related to inadequate gauge piping, subsurface water and sewer system failure, and previously unknown code deficiencies.

The piping has been – and will continue to be – riddled by pinhole leaks in the plumbing and fire sprinkler systems resulting in water infiltration, damage to walls, floors, and ceilings, and ultimately renders units uninhabitable until the piping and all damaged elements can be replaced. As such, proactive replacement prior to failure is the most cost-effective approach. However, non-uniform unit types and pipefitting make replacing the plumbing system particularly complex, time consuming, and labor intensive.

Additionally, ground floor units have suffered from deterioration of sewer and sanitary waste plumbing under concrete slabs. For these units, full floor and plumbing replacement is needed.

Finally, removing walls to access the plumbing has led to the discovery of code deficiencies related to electrical, framing, and other systems; upon discovery of such flaws, remediation becomes necessary, and scope and cost are further increased.

These issues have led to a greater number and longer duration of units offline, and thus a reduction in rental revenue. The 2023 audited financials show that the Development has a 0.10 debt service coverage ratio (“DSCR”). The Development has remained current on their debt service due to equity contributions by the ownership.

Current Condition and Financing Proposal

The Sponsor and the Agency have commissioned a capital needs assessment that is targeted to issues that were previously unknown but, as outlined above, are now known to be systemic across the Development. While that comprehensive assessment remains outstanding, the Sponsor

and the Agency can estimate immediate preventative needs, as well as the cost of fully rehabilitating offline and at-risk units.

Of the 182 units, the condition is as follows:

- Thirty-two (32) units have been fully rehabilitated, with all piping replaced. These units are in good condition and are renting for the highest achievable rate.
- Thirteen (13) units are currently offline due to thin gauge copper piping failure, as well as subsurface water and sewer system failure, and require rehabilitation prior to leasing. When leased, these units are projected to generate over \$380,000 in annual rental revenue.
- Twenty-nine (29) units are online, but at the highest risk of piping failure and water damage. MassHousing and the Sponsor have agreed that these units are a priority for refitting of piping.
- The final one hundred eight (108) units are online and in adequate condition with no immediate risk of piping failure. While these units will require rehabilitation to ensure their long-term viability, that scope is not an immediate consideration.

The cost of addressing the short-term needs in the 13 offline and 29 at-risk units (outlined above), providing working capital, and replenishing reserves over an estimated four-year construction period is estimated at just under \$11,000,000. The Sponsor has requested and MassHousing staff recommend that the development budget for the contemplated four-year period include a development management fee to the Sponsor as compensation for significant work and planning done to date projected at \$300,000.

Rehabilitating the forty-two (42) units, including the 13 currently offline, will boost rental revenue significantly. Projections show that this will allow the Development to achieve a healthy DSCR and that the Development will have over \$4,000,000 in available cashflow during the four-year period. To reduce the need for further new capital in the form of a larger Asset Protection Loan, MassHousing and the Sponsor have mutually agreed that the full amount of cashflow during this period shall be made available as a source of funds to support rehabilitation and operations at the Development and will not be distributed. The Sponsor will need to obtain the consent of the other subordinate lenders to the changes detailed herein.

The Sponsor, on behalf of the Borrower, has requested a \$6,750,000 Asset Protection Loan to support the needs outlined above to address the short-term needs at the Development as they are currently understood. The Sponsor has agreed to direct an additional percentage of cash flow – separate and apart from the cash flow sharing obligation associated with the existing subordinate debt – to repay the new Asset Protection Loan. This additional payment will be the difference between the sum of the current 25% cash flow obligation and the B-2 note obligation, and 50% of total surplus cash. Therefore, 50% of surplus cash will be paid towards MassHousing subordinated loans.

The long-term capital needs are not yet fully understood. However, the capital work undertaken between 2019 and 2024 has made clear that the full capital needs at the Development are more complicated than can be estimated through a capital needs study. As those needs are further explored and defined, MassHousing and the Sponsor agree that this financing is the most comprehensive interim step possible, given the information and capital resources available.

Projections for Future Operations and Potential Refinancing

As units are proactively and comprehensively rehabilitated the need to conduct reactive emergency repairs will decline, resulting in reduced operating expenses. As those units are leased at higher rent levels, occupancy and rental revenue will both increase. Together, these changes will result in strengthened net operating income (“NOI”) and DSCR. Improved operating income, together with a clearer understanding of the physical condition and long-term capital needs of the Development, will allow the Sponsor greater options as they create a long-term physical and capital plan. The potential value of the Development that could be realized at the time of a hypothetical future refinancing is detailed in Exhibit B to this proposal. Ultimately, both the Sponsor and MassHousing feel that investing in the immediate rehabilitation and long-term viability of this valuable housing resource is prudent.

3. MassHousing Financing

| Asset Protection Loan | |
|------------------------|--|
| Type | Asset Protection Loan |
| Loan Amount | \$6,750,000 |
| Interest Rate | 0.0% |
| Loan Term/Amortization | Coterminous with MassHousing FFB First Mortgage / non-amortizing |
| Cash Flow Sharing | A percentage of cash flow available for distribution, such that the total payments towards MassHousing subordinated debt shall equal 50% of total surplus cash, will be obligated for repayment of the Asset Protection Loan. This cash flow sharing requirement is separate from and additional to the 25% of cash flow obligation to the repayment of existing subordinate loans from MassHousing, the Executive Office of Housing and Livable Communities (“HLC”), and the City of Leominster detailed in Exhibit A to this proposal. |

4. Development Plan

Description of the Site. The Development is located on a 19.4-acre site in the French Hill neighborhood in the Gateway City of Leominster.

Description of Existing or Proposed Building. The Development consists of eleven (11) buildings, seven of which form a contiguous structure. Nine of the buildings were originally constructed as an industrial mill building complex in the 1880s, with two townhomes constructed in 1987.

Description of Affordability Mix. In connection with the existing SHARP and RDAL affordability requirements, 25% (46) of the units are restricted at 80% of AMI in perpetuity. In connection with the 2019 HUD FFB Loan, 20% (37) of the 182 units are further restricted at 50% of AMI. The FFB restriction overlaps the SHARP and RDAL requirements.

Description of Scope of Work. The proposed rehabilitation scope primarily consists of 42 unit renovations, which includes but is not limited to framing, bathroom repair, fire protection systems, and kitchen remodeling. The remainder includes elevator repair, roof coverings, exterior work, common area painting and flooring, and HVAC repair and replacement. The initial focus is the restoration of the 13 offline units to successful operation.

Site Control. The Sponsor has control of the Site through a Quitclaim Deed.

5. Borrower Team

Mortgagor Entity: Whitney Carriage Associates Limited Partnership (the “Borrower”)

Whitney Carriage Park Associates Limited Partnership is a single-purpose, sole-asset limited partnership and the current owner of the Development. Its general partner, Whitney Carriage Management LLC, is a single-purpose, sole-asset limited liability company.

Developer / Sponsor: Farragut Investments, Inc.

Farragut Investments, Inc. is a private equity firm based in Lake Forest, Illinois which has equity investments in self-storage, hospitality, and other real estate developments. Borrower’s General Partner is an affiliate of Sponsor as one of the three controlling members of the General Partner, J. Patrick Corsiglia, Jr. is a principal of Sponsor.

The Agency’s experience with Farragut Investments is through the Whitney Carriage Park financing and its involvement as an affiliate of the investor partner in several other SHARP developments.

General Partner / Managing Member: Whitney Carriage Management LLC

Whitney Carriage Management LLC is a single-purpose, sole-asset limited liability company. It has four members: J. Patrick Corsiglia, Jr. (39%), T. Arthur Downer (30%) and John C. Lorentzen (30%) and Investment Management Holdings Co., Inc. (1%).

Management Company: Peabody Properties, Inc.

Peabody Properties, Inc. (“Peabody”) manages approximately 96 communities, providing more than 13,000 residences in Massachusetts, Rhode Island, New Jersey, and Florida. Peabody’s management team consists of over 160 on-site professionals.

The Agency’s most recent experience with Peabody was Prospect Estates and Bixby Brockton Apartments. Both projects closed in 2023.

6. Summary of MassHousing-Sponsor Relationship

| | |
|---|--------------|
| Number of Projects with MassHousing Debt | 1 |
| Total Units with MassHousing Debt | 182 |
| Outstanding MassHousing Principal Debt | \$44,986,887 |
| Adverse Actions Against the Borrower Team | No |
| Current on Obligations with MassHousing | Yes |
| Property Management Affiliate | No |

MassHousing Staff

| | |
|------------------|------------------------------------|
| Origination | Dan Staring, Originator |
| Underwriting | Josh Schaperow, Senior Underwriter |
| Asset Management | Dan Barbanell, Asset Manager |

7. Unit Mix

| Unit Size | Total Units | 50% AMI Units | | 80% AMI Units | | Market | |
|--------------|-------------|---------------|---------|---------------|---------|------------|---------|
| | | Count | Rent | Count | Rent | Count | Rent |
| 1 BR | 16 | 1 | \$1,205 | 1 | \$1,251 | 14 | \$1,687 |
| 2 BR | 132 | 29 | \$1,447 | 7 | \$1,705 | 96 | \$2,062 |
| 3 BR | 34 | 7 | \$1,673 | 1 | \$1,974 | 26 | \$2,234 |
| Total | 182 | 37 | | 9 | | 136 | |

8. Costs

| | |
|---------------------------------|---|
| Underwritten Operating Expenses | \$2,839,219 (approximately \$15,600 per unit) |
|---------------------------------|---|

Basis of Operating Costs. Review of past three years of Audited Financial Statements, excluding non-routine capital expenditures and maintenance costs that will be funded by this loan going forward.

9. Sources and Uses

| Sources of Funds | Total |
|--------------------------|---------------------|
| MH Asset Protection Loan | \$6,750,000 |
| NOI After Debt Service | \$4,392,920 |
| Total Sources | \$11,142,920 |

| Residential Uses of Funds | Total | <i>Per Unit</i> |
|----------------------------------|---------------------|------------------------|
| Renovation of 42 Units | \$5,448,538 | \$29,937 |
| Non-Unit Renovation Items | \$4,384,382 | \$24,090 |
| Development Management Fee | \$300,000 | \$1,648 |
| Insurance Escrow Deposit | \$225,000 | \$1,236 |
| Working Capital | \$225,000 | \$1,236 |
| Fund Payables | \$335,000 | \$1,841 |
| Total Uses | \$11,142,920 | \$61,225 |

10. First Year Income and Expenses

| Income | | 2025 Projected |
|------------------------------------|-------|-----------------------|
| Gross Potential Residential Income | | \$4,636,542 |
| Vacancy | 10.0% | (\$463,654) |
| Gross Residential Income | | \$4,172,888 |
| Other Income - Parking | | \$73,183 |
| Effective Gross Income | | \$4,246,071 |

| Expenses | | 2025 Projected |
|--------------------------------|--|-----------------------|
| Residential Operating Expenses | | \$2,839,219 |
| Net Operating Income | | \$1,406,852 |
| Debt Service | | (\$498,114) |
| Cash Flow | | \$908,738 |

| | |
|-----------------------|-------|
| Debt Service Coverage | 2.82x |
|-----------------------|-------|

| Residential Operating Expense Detail | | 2025 Projected | Per Unit |
|---|------|-----------------------|-----------------|
| Management Fee | 4.5% | \$191,073 | \$1,050 |
| Administrative Costs | | \$556,670 | \$3,059 |
| Maintenance Costs | | \$958,111 | \$5,264 |
| Utilities (water and sewer, hot water) | | \$447,320 | \$2,458 |
| Replacement Reserves | | \$103,478 | \$552 |
| Taxes | | \$226,492 | \$1,244 |
| Insurance | | \$330,750 | \$1,817 |
| Mortgage Insurance Premium | | \$25,325 | \$139 |
| Total | | \$2,839,219 | \$15,600 |

| | |
|--|-------|
| Operating Expenses as a Percent of EGI | 66.9% |
|--|-------|

11. Underwriting

1. **Development Performance.** The suboptimal performance ratings for the Development – a financial rating of “D,” a physical rating of “C,” and a compliance rating of “B” – bely the actual circumstances at the Development.

While the Development has only remained current on debt service payments because of Sponsor contributions, there is clear potential for very strong performance.

Nearly 20% of the units at the Development have been rehabilitated; these units are commanding much higher rents and operating more efficiently than originally underwritten. These units are indicative of how the total Development will ultimately function.

2. **Vacancy During Construction Period.** The operating projections in Section 10 of this memo assume that six (6) of the thirteen (13) units currently offline at the Development are rehabilitated and leased at higher rent levels in 2025. As the remaining seven (7) offline units and 29 at-risk units are rehabilitated, there will continue to be relatively high vacancy rates; these levels will ultimately fall and occupancy is projected to stabilize toward the end of the four-year period.
3. **Current Cash Flow Sharing Obligations.** Through an existing intercreditor agreement, the Borrower is currently obligated to make an annual payment to MassHousing in an amount equal to 25% of the cash flow of the Development and MassHousing applies this payment as follows:
 - a. first, to the B Note Loan until paid in full;
 - b. next, to the Capital Needs Loan, until paid in full;
 - c. next, to the SHARP Loan and the RDAL loan pro rata based on principal balance, until paid in full.

Once these loans are all paid in full the cash flow payment will be applied to the City of Leominster HoDAG Loan.

In addition, there is a \$31,764 annual payment from cash flow to be applied towards repayment of the B-2 Note.

4. **Current Cash Flow Available for Distribution.** As detailed above, current operation of the Development is challenged by high operating expenses, high rates of vacancy, and costs related to critical capital repairs. As such, there has been no cash flow available for distribution.

The development plan outlined in this proposal will take a proactive approach to said capital repairs, allowing higher occupancy – with rehabilitated units capturing higher rents – and reduced operating expenses.

The Sponsor and MassHousing have mutually agreed that all NOI in excess of first mortgage debt service obligations, rather than being used for debt repayment, will go first to ensuring that the operating account is funded to the minimum amount of \$325,000, then to be used as a source of funds to support the development scope, and then to distribution to MassHousing and the Borrower, if funds are available. Neither party projects nor anticipates cash flow payments during the development period associated with the MassHousing subordinate loans, including the Asset Protection Loan, and each anticipates that such payments will only resume after the conclusion of the proposed scope of work. As such, there is a vote to authorize a forbearance or modification of such existing debt during the four year development period.

5. **Future Cash Flow Sharing Obligations.** Following the completion of the proposed scope of work, the cash flow sharing obligations detailed above will resume. In addition, there will be a new cash flow payment related to the proposed Asset Protection Loan, the Borrower will be obligated to make an additional payment to MassHousing in an amount such that the total amount paid to MassHousing subordinated loans will equal 50% of surplus cash. MassHousing shall apply this payment exclusively to the Asset Protection Loan until paid in full, at which time the obligation will be terminated.
6. **Repayment of Sponsor Capital Contributions.** The ownership has contributed nearly \$10,000,000 in excess of the funds made available in the 2019 MassHousing financing (see Exhibit A to this proposal). Repayment of these contributions will be made through future cash flow distributions and future refinancing events.

PROPOSALS AND VOTES

Mortgage Loan

Staff has reviewed the proposal for subordinate financing and proposes the following votes for approval by the Agency:

VOTED: To authorize a limited forbearance or modification of the debt requested by Whitney Carriage Associates Limited Partnership (the “Owner”), the owner of Whitney Carriage Park Apartments (the “Development”), located in Leominster, Massachusetts, on such terms and conditions as required by the Chief Executive Officer or Vice President of Multifamily Programs, in accordance with the applicable general closing standards and delegations of authority previously approved by the Board, as deemed applicable by the Vice President of Multifamily Programs or the General Counsel, and further subject to (1) compliance with all applicable laws and all regulations and requirements of applicable financing programs, and (2) the following special conditions: (a) evidence of approval of the restructuring and the new asset protection loan by the limited partners of the Borrower acceptable to the General Counsel, and (b) evidence of consent of the Executive Office of Housing and Livable Communities (“HLC”) and any other subordinate lenders as necessary for the transaction, with such changes thereto as may be approved by the Vice President of Multifamily Programs.

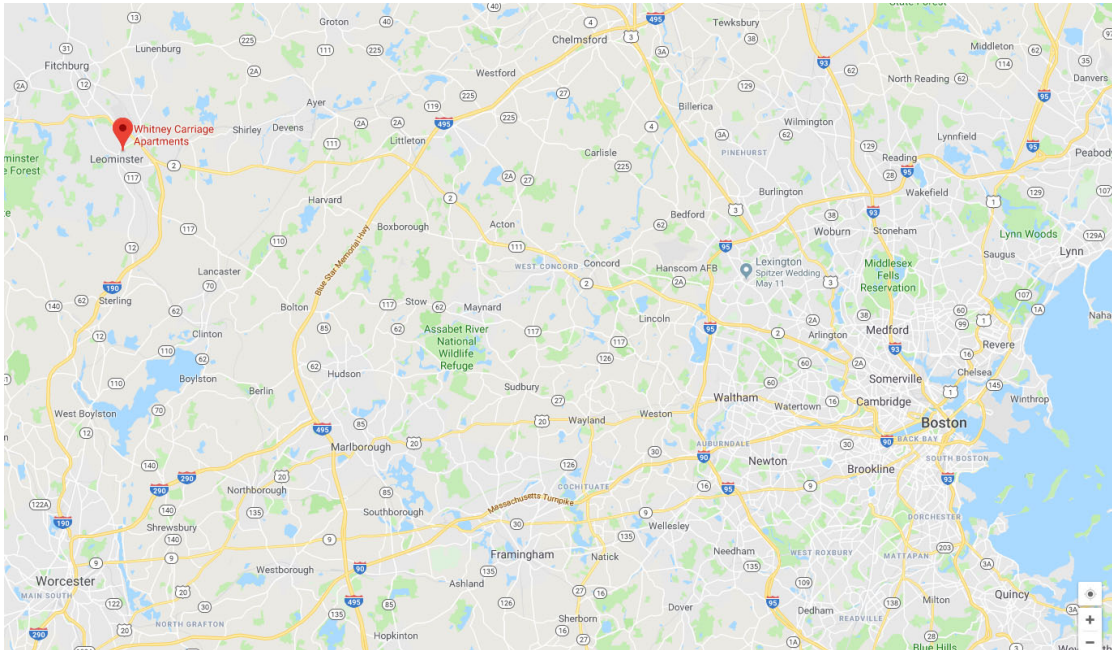
FURTHER VOTED: To authorize the Chief Executive Officer to determine to make a loan to the Owner in the amount of up to \$6,750,000, all or a portion of which may be funded with SHARP funds available pursuant to the Memorandum of Understanding dated as of December 15, 2011, by and among MassHousing, HLC (formerly the Department of Housing and Community Development) and the Executive Office of Administration and Finance of the Commonwealth of Massachusetts, or all or a portion of which may be funded from the unreserved portion of the Opportunity Fund approved by the Members of MassHousing on March 8, 2016.

FURTHER VOTED: To authorize the Chief Executive Officer, the Chief Legal and Operating Officer and the Vice President of Multifamily Programs, and their respective designees, each acting singly, to permit the Borrower to enter into, or assume, mortgage loans with third parties with respect to the Development, provided that (1) any such mortgage loans shall be subordinated to MassHousing’s first mortgage loan, and other MassHousing debt as determined by the Chief Executive Officer, the Chief Legal and Operating Officer or the Vice President of Multifamily

Programs, and (2) such subordinate mortgage loans shall be subject to MassHousing's requirements pertaining to subordinate mortgages, in a manner acceptable to MassHousing's General Counsel or their designee.

FURTHER VOTED: That the Chief Executive Officer, the Vice President of Multifamily Programs, the General Counsel and the Deputy General Counsel are each authorized to execute any and all documents required to consummate the transactions described in the votes above.

MAP AND PICTURES



DAMAGED PIPES AND UNITS



RENOVATED UNITS



EXHIBIT A

Schedule of Existing Financing

| | Original Principal Balance | Outstanding Principal Balance (12/18/24) | Interest Rate | Deferred Interest | Monthly Payment |
|--|----------------------------------|---|------------------|----------------------|--------------------|
| MassHousing First Mortgage Debt | | | | | |
| FFB First Mortgage | \$10,900,000 | \$10,225,621 | 3.39% | - | \$41,510 |
| MassHousing Subordinate Debt | | | | | |
| B-Note | \$18,827,059 | \$18,827,059 | 2.21% | \$2,133,042 | Cash Flow |
| Capital Needs Note | \$4,093,370 | \$4,093,370 | 0.00% | - | Cash Flow |
| B-2 Note | \$653,198 | \$625,718 | 3.50% | \$62,136 | Cash Flow |
| TOTAL | \$23,573,627 | \$23,546,147 | | \$2,195,178 | |
| EOHLC Subordinate Debt | | | | | |
| SHARP Note | \$11,187,639 | \$11,187,639 | 2.21% | \$1,296,983 | Cash Flow |
| RDAL Note | \$1,179,448 | \$1,179,448 | 2.21% | \$136,734 | Cash Flow |
| TOTAL | \$12,367,087 | \$12,367,087 | | \$1,433,717 | |
| City of Leominster | | | | | |
| HoDAG Note | \$3,500,000 | \$3,500,000 | 0.10% | \$1,296,983 | Cash Flow |
| Sponsor | | | | | |
| Sponsor Capital Contributions | \$9,767,180 | | | | |

EXHIBIT B

Future Operating and Financing Potential

Potential Year 10 Income and Expenses

| Income | | 2035 |
|------------------------------------|------|-------------|
| Gross Potential Residential Income | | \$7,290,000 |
| Vacancy | 5.0% | (\$365,000) |
| Gross Residential Income | | \$6,925,000 |

| Expenses | | 2035 |
|--------------------------------|--|-------------|
| Residential Operating Expenses | | \$3,425,000 |
| Net Operating Income | | \$3,500,000 |

| | | |
|---|--|--------------|
| Projected Value at 5.0% Capitalization Rate | | \$70,000,000 |
|---|--|--------------|

Loan Commitment Proposal | January 14, 2025

Whitney Carriage Park



| | |
|--------------------|--|
| Location | 124 Water Street, Leominster, MA 01453 |
| Sponsor | Farragut Investments, Inc. |
| Transaction Type | Workout |
| Funding Type | Asset Protection Loan |
| Execution Type | Taxable Subordinate Debt |
| Credit Enhancement | None |
| Total Rental Units | 182 |
| Affordability Mix | 136 Market 46 Affordable |

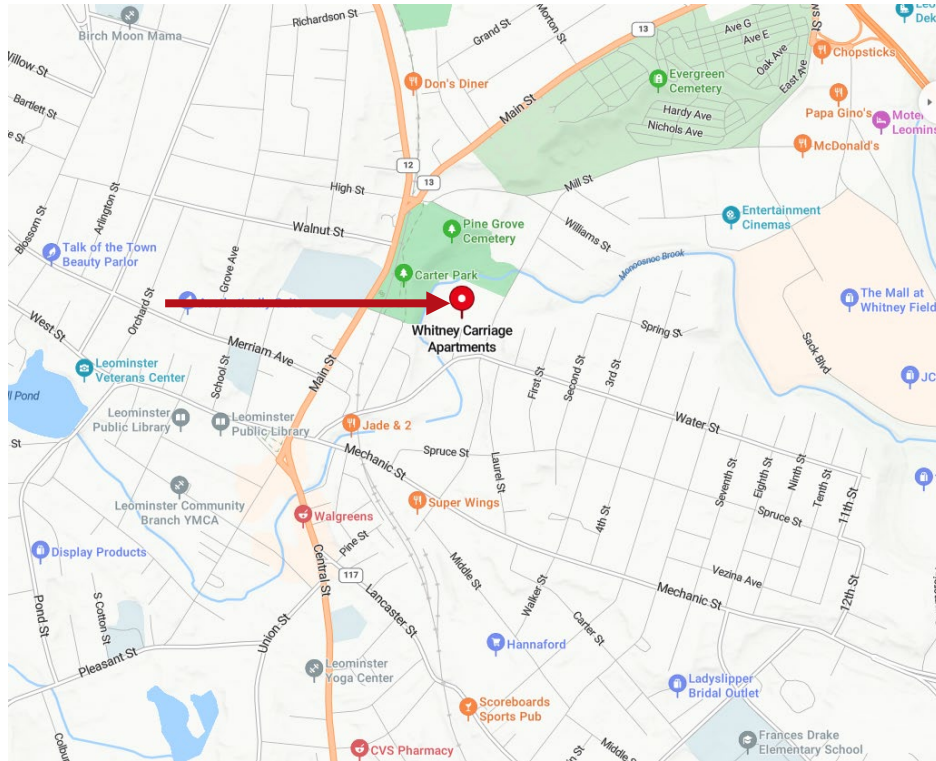
Deal Team Members

| | |
|------------------|----------------|
| Origination | Dan Staring |
| Underwriting | Josh Schaperow |
| Asset Management | Dan Barbanell |

Required Background Information

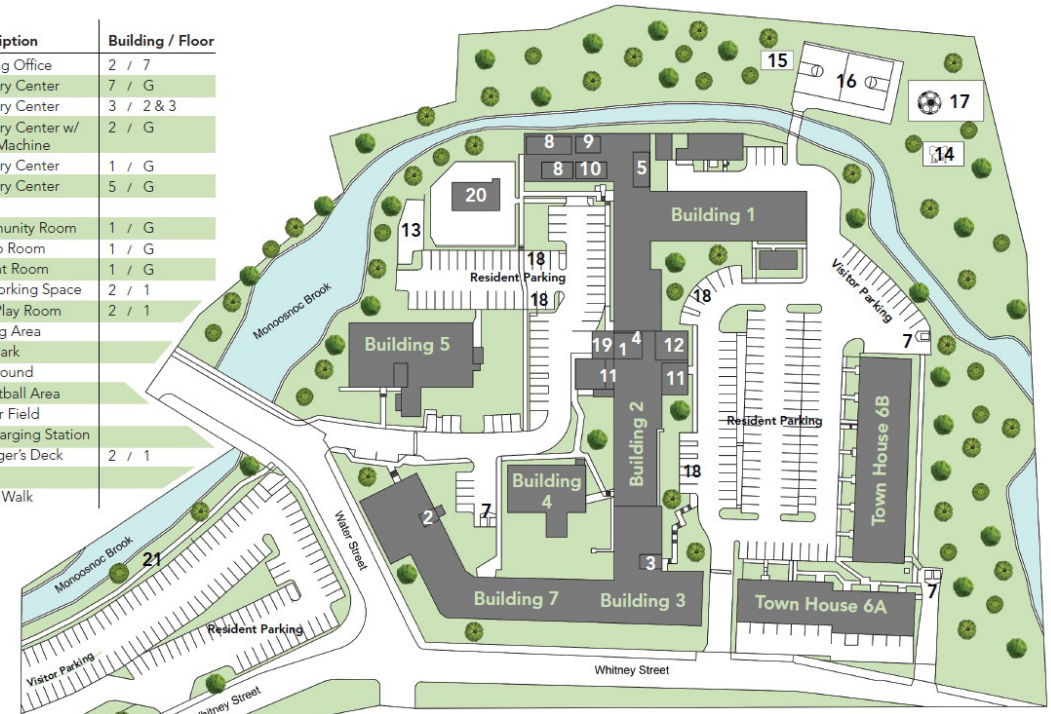
- In 2019, MassHousing provided a \$10,900,000 FFB First Mortgage Loan and a \$4,128,757 SHARP Capital Needs Loan to support a transaction modeled on the SRI approach.
- Thirty-two (32) units have been fully rehabilitated because of water damage.
- Thirteen (13) units are currently offline due to water damage and require rehabilitation prior to leasing.
- Twenty-nine (29) units are online, but at the highest risk of piping failure and water damage. MassHousing and the Sponsor have agreed that these units are a priority for refitting of piping.
- The final 108 units are online and in adequate condition with no immediate risk of piping failure. While these units will require rehabilitation to ensure their long-term viability, that scope is not an immediate consideration.
- The sponsor has requested a \$6,750,000 Asset Protection Loan to address the short-term needs in the 13 offline and 29 at-risk units.

Whitney Carriage Park | Leominster



THE FALLS AT 124 WATER | Site Plan

| # on Map | Description | Building / Floor |
|----------|--------------------------------|------------------|
| 1 | Leasing Office | 2 / 7 |
| 2 | Laundry Center | 7 / G |
| 3 | Laundry Center | 3 / 2 & 3 |
| 4 | Laundry Center w/ Card Machine | 2 / G |
| 5 | Laundry Center | 1 / G |
| 6 | Laundry Center | 5 / G |
| 7 | Trash | |
| 8 | Community Room | 1 / G |
| 9 | Cardio Room | 1 / G |
| 10 | Weight Room | 1 / G |
| 11 | Co-Working Space | 2 / 1 |
| 12 | Kid's Play Room | 2 / 1 |
| 13 | Grilling Area | |
| 14 | Dog Park | |
| 15 | Playground | |
| 16 | Basketball Area | |
| 17 | Soccer Field | |
| 18 | EV Charging Station | |
| 19 | Manager's Deck | 2 / 1 |
| 20 | Pool | |
| 21 | Brook Walk | |



Borrower Team

| | |
|--------------------------------------|---|
| Mortgagor Entity | Whitney Carriage Associates Limited Partnership |
| Developer / Sponsor | Farragut Investments, Inc. |
| General Partner / Managing Member | Whitney Carriage Management LLC |
| Management Company | Peabody Properties, Inc. |

Unit Mix

| Unit Size | Total Units | LIHTC-Eligible | | | | | |
|--------------|-------------|----------------|-------------|--------------|-------------|--------------|-------------|
| | | 50% AMI* | | 80% AMI* | | Market Rate | |
| | | <i>Count</i> | <i>Rent</i> | <i>Count</i> | <i>Rent</i> | <i>Count</i> | <i>Rent</i> |
| 1 BR | 16 | 1 | \$1,205 | 1 | \$1,251 | 14 | \$1,687 |
| 2 BR | 132 | 29 | \$1,447 | 7 | \$1,705 | 96 | \$2,062 |
| 3 BR | 34 | 7 | \$1,673 | 1 | \$1,974 | 26 | \$2,234 |
| Total | 182 | 37 | | 9 | | 136 | |

** All rents are net of utility allowance*

Sources and Uses

| Sources of Funds | | | Uses of Funds | |
|---------------------------|---------------------|--|----------------------------|---------------------|
| MH Asset Protection Loan | \$6,750,000 | | Renovation of 42 Units | \$5,448,538 |
| Cash Flow from Operations | \$4,392,920 | | Non-Unit Renovation Items | \$4,384,382 |
| | | | Development Management Fee | \$300,000 |
| | | | Insurance Escrow Deposit | \$225,000 |
| | | | Working Capital | \$225,000 |
| | | | Fund Payables | \$335,000 |
| Total Sources | \$11,142,920 | | Total Uses | \$11,142,920 |

Underwriting Notes

1. Development Performance
2. Vacancy During Construction
3. Current Cash Flow Share Obligations
4. Current Cash Flow Available for Distribution
5. Future Cash Flow Sharing Obligations
6. Repayment of Sponsor Capital Contributions

Recommended Votes

- Commitment of a Taxable Asset Protection Loan
- Forbearance of Cash Flow Payment Obligations on Existing Loans

Modification to Loan Commitment Proposal | January 14, 2025

West Newton Armory**1. General Project Information**

| | |
|---------------------|--|
| Project Name | West Newton Armory |
| Project ID | 23-114 |
| Associated Projects | N/A |
| Address(es) | 1135-1137 Washington Street Newton, MA 02465 |
| Sponsor | Metro West Collaborative Development, Inc. |
| Transaction Type | Production (4%) |
| Funding Type | Current - Private Placement |
| Execution Type | Conduit (TE) |
| Credit Enhancement | None |
| Approval Type | Board |
| Total Rental Units | 43 |
| Affordability Mix | 43 Affordable |

2. Recommended Actions

- Modification to Previous Member Approval

On December 10, 2024, the Agency Members approved a tax-exempt conduit loan of up to \$19,900,000 for West Newton Armory (the “Development”), a proposed 43-unit affordable housing community in Newton. The loan commitment proposal presented at that time and the votes approving the proposed loan described the bond purchaser and construction lender as Silicon Valley Bank, a division of First-Citizens Bank and Trust Company. Subsequent to the commitment, staff was informed that First-Citizens Bank and Trust Company would now be the bond purchaser and construction lender.

For a complete description of the Development and the proposed financing, please refer to Exhibit A, the December 10, 2024 Loan Commitment Proposal.

3. Updated Borrower Team

Construction Lender: First-Citizens Bank & Trust Company

First-Citizens Bank & Trust Company (“First Citizens”) is headquartered in Raleigh, North Carolina and is among the largest 20 financial institutions in the US with more than \$200 billion in total assets and over 550 branches in 23 states. As of September 30, 2024, First Citizens reports a diverse lending portfolio totaling \$138.7 billion of which commercial real estate multi-family lending accounts for \$5.7 billion. First Citizens purchased all assets and liabilities of Silicon Valley Bank in March of 2023 and continues to operate Silicon Valley Bank as an affiliated business.

For all other borrower team members, please refer to Exhibit A, the December 10, 2024 Loan Commitment Proposal.

West Newton Armory
VOTES AND FINDINGS

PROPOSALS AND VOTES

VOTED: To authorize the Chief Executive Officer, the Chief Legal and Operating Officer and the Vice President of Multifamily Programs, and their respective designees, each acting singly, to permit the Borrower to enter into, or assume, mortgage loans with third parties with respect to the Development, including a taxable construction loan with First-Citizens Bank & Trust Company or an affiliate thereof (the “First Citizens Loan”), provided that (1) any such mortgage loans, other than the First Citizens Loan, shall be subordinated to MassHousing’s first mortgage loan, and other MassHousing debt as determined by the Chief Executive Officer, the Chief Legal and Operating Officer or the Vice President of Multifamily Programs, and (2) such subordinate mortgage loans shall be subject to MassHousing’s requirements pertaining to subordinate mortgages, in a manner acceptable to MassHousing’s General Counsel or their designee.

FURTHER VOTED: That the votes of the Members with respect to the Development approved on December 10, 2024 are otherwise ratified and confirmed.

EXHIBIT A
DECEMBER 10, 2024 LOAN COMMITMENT PROPOSAL

Loan Commitment Proposal | December 10, 2024

West Newton Armory**1. General Project Information**

| | |
|---------------------|--|
| Project Name | West Newton Armory |
| Project ID | 23-114 |
| Associated Projects | N/A |
| Address(es) | 1135-1137 Washington Street Newton, MA 02465 |
| Sponsor | Metro West Collaborative Development, Inc. |
| Transaction Type | Production (4%) |
| Funding Type | Current - Private Placement |
| Execution Type | Conduit (TE) |
| Credit Enhancement | None |
| Approval Type | Board |
| Total Rental Units | 43 |
| Affordability Mix | 43 Affordable |

2. Recommended Actions

- Official Action Status
- Commitment of a Tax-Exempt Conduit Loan
- Approval for the Use of Low-Income Housing Tax Credits

Metro West Collaborative Development, Inc. (the “Sponsor” or “Metro West CD”) has requested that MassHousing act as the conduit lender of tax-exempt bond proceeds under the Conduit Loan Program to allow the Sponsor to access 4% LIHTC equity for the proposed financing of West Newton Armory (the “Development”).

The transaction proposes the redevelopment of the West Newton Armory into forty-three (43) units of affordable rental housing. The development proposal includes the preservation and reuse of the armory’s head house, as well as the demolition of the rear field house portion of the armory and the construction of a new four-story addition in its place. The adaptive reuse portion of the Development will be repurposed to include a community room, the Sponsor’s offices, a laundry room, and a public gallery highlighting the armory’s history while the new addition will contain the proposed residential units.

3. MassHousing Financing

| Conduit Loan | |
|--------------------------|---|
| Type | Short-Term Tax-Exempt Conduit Loan |
| Loan Amount | \$11,025,000 |
| Loan Term / Amortization | 36 mo / interest only |
| Conduit Loan | |
| Type | Long-Term Tax-Exempt Conduit Loan |
| Loan Amount | \$4,900,000 |
| Loan Term/Amortization | 20y / 40y after permanent conversion, interest only for the development period of up to 36 months |

4. Development Plan

Description of Site. The Development is located on a 33,150 square foot parcel of land at 1135-1137 Washington Street (the “Site”), with easy walking access to the amenities in West Newton’s village center, including commuter rail service on the Framingham/Worcester line. There is a grocery store and MBTA bus service across the street from the Site.

Description of Existing or Proposed Building. The existing armory building was constructed in 1912 and housed the Massachusetts Army National Guard for over 100 years. The Sponsor will undertake a gut rehabilitation of the head house to reconfigure the space for non-residential commercial and community uses. The wood-frame addition will contain all 43 apartments, including a mix of one-, two- and three-bedroom units, as well as 25 garage parking spaces. Six surface parking spaces will be located adjacent to the garage entrance. The Development was designed to achieve Passive House certification and will be all-electric with rooftop solar panels sized to maximize electrical production for the site.

Description of Affordability Mix. All units are subject to income restrictions with tiers at both 30% of area median income (“AMI”) and 60% of AMI. All fifteen (15) of the units in the 30% of AMI tier will benefit from project-based rental assistance; there will be eight (8) Section 8 units, three (3) MRVP units, and four (4) Alternative Housing Voucher Program (“AHVP”) units. AHVP is a state voucher program offering rental assistance for people with a disability who are under age 60. See Section 12 for additional detail. There will also be 28 units at 60% of AMI, with two of those units benefitting from AHVP rental assistance.

Site Control. Developer Designation Agreement with the city of Newton signed on July 25, 2023. The City of Newton will lease the site to the Sponsor for \$1 per year for 99 years. Sponsor will then sublease the site or assign the ground lease to the Mortgagor.

5. Borrower Team

Mortgagor Entity: West Newton Armory LLC

West Newton Armory LLC (“Borrower”) is a single-asset, sole purpose limited liability company formed for the purposes of owning and operating the Development.

Sponsors: Metro West Collaborative Development, Inc. and
Civico Development, LLC

Metro West Collaborative Development, Inc. was created in 2012 when board members and staff of Watertown Community Housing broadened that organization’s mission to include affordable housing development and tenant services within 25 cities and towns west of Boston. Metro West CD has completed 165 units, with another 115 in its development pipeline.

Civico Development, LLC

Civico Development LLC’s (“Civico”) mission is to design and construct high quality buildings, streetscapes, and neighborhoods that significantly enhance the social livability and environmental sustainability of our communities. The company frequently collaborates with other developers and works on projects of all sizes, focusing on authenticity, walkability and human scale development.

Metro West CD and Civico jointly submitted a response to the City of Newton’s Request for Proposals for the armory redevelopment, with the City selecting their joint application in 2021. During predevelopment, Metro West CD coordinated project financing while Civico managed permitting and design. A Civico staff member will act as the Sponsor’s project manager during construction monitoring. While the organizations will evenly share the overhead and developer fee amounts, Metro West CD will have full control of the Borrower and Civico will not have an ownership interest in the Development.

General Partner / Managing Member: West Newton Armory MM LLC

Construction Lender: Silicon Valley Bank

Silicon Valley Bank (“SVB”), a division of First Citizens Bank and Trust Company, is a U.S.-based high-tech commercial bank. The bank has helped fund more than 30,000 start-ups. First Citizens Bancshares, Inc., the financial holding company for SVB, is among the largest 20 financial institutions in the US with more than \$200 billion in total assets.

Permanent Lender: Massachusetts Housing Partnership

Massachusetts Housing Partnership (“MHP”) is a public nonprofit affordable housing organization that works in concert with the Governor and the Executive Office of Housing and Livable Communities (“EOHLC”) to increase the supply of affordable housing in Massachusetts. Founded in 1985, MHP finances affordable housing through a state law that requires companies that acquire Massachusetts banks to make loan funds available to MHP for the creation and preservation of affordable multifamily housing. MHP was most recently the permanent lender on Cheney Homes Apartments, a conduit transaction that closed in October of this year.

Consultant: David Aiken Development Consulting

David Aiken is a Boston-based real estate development consultant who previously worked at the Planning Office for Urban Affairs and has previous experience with MassHousing.

Syndicator / Investor: Red Stone Equity Partners LLC

Red Stone Equity Partners is a leading real estate investment firm specializing in the syndication of Low-Income Housing Tax Credits and Renewable Energy Tax Credits to facilitate the development of affordable multifamily housing communities and renewable energy projects, respectively. Founded in 2007, Red Stone Equity has raised over \$9 billion in tax credit equity for the development and rehabilitation of over 62,000 units in 48 states, Washington, D.C., and Puerto Rico. The firm has offices in Boston, Charlotte, Chicago, New York, and San Diego.

Management Company: Maloney Properties, Inc.

Maloney Properties, Inc. is a women-owned firm established in 1981 that provides professional property management services throughout New England. Currently, Maloney Properties manages over 10,000 units of housing, including over 1,950 units in 20 properties in MassHousing’s loan portfolio.

Architect: Davis Square Architects, Inc.

Founded in 1984, Davis Square Architects is a medium-sized, award-winning architectural and planning studio organized into project-specific teams. DSA’s values and decades of experience throughout the Northeast have led to a long-standing history of high-quality design, in collaboration with our clients, spanning a wide variety of project types, including affordable and multi-family housing, TOD design, renovation and historic preservation, adaptive reuse, feasibility and needs assessments, and community spaces. Davis Square Architects was the architect for agency-funded projects Bartlett Station F5 and Bancroft Dixwell Apartments.

General Contractor: Dellbrook Construction, LLC d/b/a Dellbrook JKS

Dellbrook | JKS is one of the largest construction companies in New England and has been in operation for over 30 years. The firm has extensive experience in overseeing the new construction of sustainable multi-family buildings throughout Massachusetts.

Dellbrook JKS is familiar to the agency and is serving as the general contractor on active projects such as Meshacket Commons and Cape Cod Five Redevelopment.

| 6. Summary of MassHousing-Sponsor Relationship | |
|--|------|
| Number of Projects with MassHousing Debt | None |
| Total Units with MassHousing Debt | None |
| Outstanding MassHousing Principal Debt | None |
| Adverse Actions Against the Borrower Team | No |
| Current on Obligations with MassHousing | N/A |
| Property Management Affiliate | No |

| MassHousing Staff | |
|-------------------|---|
| Origination | Jeff Geller, Originator Sim Montrond, Analyst |
| Underwriting | Christelle Mbah, Underwriter Kelly Johnson, Analyst |
| Asset Management | Susan Lynch, Portfolio Manager Maureen McAllister, Asset Manager |

7. Unit Mix

| Unit Size | Total Units | LIHTC Eligible | | | | | | | | | |
|--------------|-------------|-------------------|---------|----------------------------|---------|-------------------|---------|-------------------|---------|------------|---------|
| | | 30% of AMI - MRVP | | 30% of AMI - Section 8 PBV | | 30% of AMI - AHVP | | 60% of AMI - AHVP | | 60% of AMI | |
| | | Count | Rent | Count | Rent | Count | Rent | Count | Rent | Count | Rent |
| 1 BR | 15 | | | | | 4 | \$2,516 | 2 | \$2,516 | 9 | \$1,652 |
| 2 BR | 21 | 3 | \$2,711 | 5 | \$2,982 | | | | | 13 | \$1,982 |
| 3 BR | 7 | | | 3 | \$3,593 | | | | | 4 | \$2,291 |
| Total | 43 | 3 | | 8 | | 4 | | 2 | | 26 | |

| | |
|------------------------------|----------------------|
| Project-Based Rental Subsidy | |
| Type | Section 8 |
| Term | 20 y |
| Administrator | Metro Housing Boston |

| | |
|------------------------------|----------------------|
| Project-Based Rental Subsidy | |
| Type | MRVP |
| Term | 15 y |
| Administrator | Metro Housing Boston |

| | |
|------------------------------|----------------------|
| Project-Based Rental Subsidy | |
| Type | AHVP |
| Term | 20 y |
| Administrator | Metro Housing Boston |

8. Operating Overview

| | |
|---------------------------------|---|
| Underwritten Operating Expenses | \$706,734 (approximately \$16,440 per unit) |
|---------------------------------|---|

Basis of Operating Costs. Operating expense assumptions were based on the permanent lender's proposed budget and supporting documentation as well as review of comparable properties from MassHousing's portfolio.

Operating expenses per unit are above the Agency's average portfolio range of \$11,000 to \$15,000 per unit. While most of the line items are in line with operating costs of developments in the MassHousing portfolio, a few exceed that range.

- Utilities: Electricity, which will power all equipment for heating, cooling, and hot water, is projected at \$2,079 per unit. The portfolio average for electricity and gas is \$1,190. According to the Sponsor, the Development will utilize heat pump hot water heaters, which are likely to cost more to operate than new gas water heaters.

While the Development will own and operate rooftop solar panels, the number of panels that can fit on the roof will only offset about 13% of the residential electrical demand.

- Insurance: Per-unit insurance costs of \$2,093 are more than double the portfolio average of \$1,035. The increase in this line item is consistent with recent experience across the industry as insurance costs have increased sharply in recent years.
- Resident Services: The Development will offer a level of resident services above a typical all-affordable development, employing a part-time resident service coordinator and a part-time community liaison. Resident Services expenses of \$1,340 per unit exceed the portfolio average of \$450 per unit. The Resident Services Coordinator will provide an array of supporting services including housing stability, social and community services including health and wellness, arts and music, cultural and spiritual and educational presentations. The community liaison will function as a link between residents, ownership, property management and the larger Newton community.

Metro West CD will enter into a triple net lease with the Borrower for its office space in the head house and will pay all associated operating expenses.

9. Project Costs

| Core Residential Costs | |
|--|--------------|
| Base | \$23,885,759 |
| Extraordinary | \$4,284,725 |
| Total | \$28,170,484 |
| Commercial, Site and Other Non-Residential Costs | |
| Commercial Costs | \$1,930,662 |
| Site and Other Non-Residential Costs | \$1,659,150 |
| Total | \$3,589,812 |
| Total Development Cost | |
| Total | \$31,760,296 |

| Project Construction Costs | |
|------------------------------|--------------|
| Total Construction Cost | \$20,071,742 |
| Construction per Square Foot | \$338 |

Background on Extraordinary Residential Costs. Passive House materials and construction, and escalated construction costs are the primary drivers of extraordinary costs.

Background on Commercial, Site and Other Non-Residential Costs. Non-residential costs carried in the development budget include the historic renovation of the head house portion of the armory into office and community space, demolition of the field house, and construction of underground parking.

10. Sources and Uses

| Sources of Funds | Total |
|-----------------------------------|---------------------|
| MHP Permanent Loan | \$4,900,000 |
| Federal LIHTC Equity | \$12,034,997 |
| State LIHTC Equity | \$2,076,900 |
| EOHLC - HOME | \$1,000,000 |
| EOHLC - AHTF | \$1,115,000 |
| EOHLC – HIF/HSF/AAHG/ TOD/ARPA | \$3,900,000 |
| Newton, West Metro Consortium | \$1,452,663 |
| City of Newton | \$4,820,000 |
| Energy Incentives | \$140,736 |
| Deferred Developer Fee | \$320,000 |
| Total Sources | \$31,760,296 |

| Core Residential Uses of Funds | Total | Per Unit |
|-----------------------------------|---------------------|------------------|
| Acquisition | \$92 | \$2 |
| Construction | \$17,328,108 | \$402,979 |
| Construction Contingency | \$1,116,049 | \$25,955 |
| General Development | \$6,682,224 | \$155,401 |
| Capitalized Reserves | \$513,000 | \$11,930 |
| Overhead | \$1,265,505 | \$29,430 |
| Fee | \$1,265,505 | \$29,430 |
| Total Residential Uses | \$28,170,484 | \$655,128 |

| Base Costs | Per Unit | Extraordinary Costs | Per Unit |
|---------------------|------------------|---------------------|-----------------|
| \$92 | \$2 | \$0 | \$0 |
| \$14,228,108 | \$330,886 | \$3,100,000 | \$72,093 |
| \$914,549 | \$21,269 | \$201,500 | \$4,686 |
| \$6,362,224 | \$147,959 | \$320,000 | \$7,442 |
| \$401,228 | \$9,331 | \$111,772 | \$2,599 |
| \$989,779 | \$23,018 | \$275,726 | \$6,412 |
| \$989,779 | \$23,018 | \$275,726 | \$6,412 |
| \$23,885,759 | \$555,483 | \$4,284,725 | \$99,645 |

| | |
|------------------|-------------|
| Commercial Uses* | \$1,930,662 |
|------------------|-------------|

| | |
|--|-------------|
| Site and Other Nonresidential Uses* | \$1,659,150 |
|--|-------------|

| | |
|-------------------|---------------------|
| Total Uses | \$31,760,296 |
|-------------------|---------------------|

*Includes applicable hard costs, contingency, soft costs, overhead and fee

11. First Year Income and Expenses

| Income | | |
|--|----|-------------|
| Rental Income – Project-Based Rental Subsidy | | \$581,580 |
| Rental Income – Non-Project-Based Rental Subsidy | | \$575,508 |
| Gross Potential Residential Income | | \$1,157,088 |
| Vacancy – Project-Based Rental Subsidy | 5% | (\$29,079) |
| Vacancy – Non-Rental Subsidy | 7% | (\$40,286) |
| Gross Residential Income | | \$1,087,723 |
| Other Income – Laundry | | \$4,000 |
| Effective Gross Income | | \$1,091,723 |

| Expenses | | |
|--------------------------------|--|-------------|
| Residential Operating Expenses | | \$706,734 |
| Commercial Operating Expenses | | \$0 |
| Net Operating Income | | \$384,989 |
| Debt Service | | (\$313,743) |
| Cash Flow | | \$71,246 |

Debt Service Coverage 1.23

| Residential Operating Expense Detail | | | Per Unit |
|--|------|-----------|----------|
| Management Fee | 5.0% | \$54,586 | \$1,269 |
| Administrative Costs | | \$120,428 | \$2,801 |
| Maintenance Costs | | \$158,281 | \$3,681 |
| Resident Services | | \$57,600 | \$1,340 |
| Security | | \$600 | \$14 |
| Utilities (water and sewer, hot water) | | \$133,100 | \$3,095 |
| Insurance | | \$90,000 | \$2,093 |
| Taxes | | \$77,089 | \$1,793 |
| Replacement Reserves | | \$15,050 | \$350 |
| Total | | \$706,734 | \$16,436 |

Operating Expenses as a Percent of EGI 64.7%

12. Underwriting

1. **Financing Structure.** SVB will serve as the taxable construction lender, providing an estimated \$16,200,000 construction loan to the Development. MassHousing will issue up to \$15,925,000 in conduit tax-exempt drawdown bonds, sized to meet the Development's 50% test needs.

At construction closing, the Borrower will close on the taxable construction financing with SVB. MassHousing will also issue the drawdown tax-exempt bonds. SVB will draw down \$50,001 of the tax-exempt bonds, which will be used specifically to pay for costs of bond issuance.

During construction, the Borrower will draw down SVB's taxable construction loan, available equity, and EOHLC and City soft funds to pay for project expenses. The remaining balance in drawdown tax-exempt bonds will not be utilized during the construction period. The Borrower has proposed an ownership structure under which its non-profit Sponsor would retain a 100% ownership interest through much of the construction phase, which would allow the Borrower to benefit from the Sponsor's sales tax exemption and result in \$600,000 savings on the costs of construction materials.

After construction is complete, SVB will provide a tax-exempt loan or loans to the Borrower with the remaining tax-exempt bond proceeds to pay down all or a portion of the construction loan to meet the 50% test. Following stabilization, a portion, equal to \$4,900,000 of the tax-exempt loan, will be assigned to MHP and remain outstanding as a permanent loan with the remaining amount repaid from tax credit equity.

2. **AHVP Vouchers.** Six of the units will benefit from a long-term project-based rental assistance contract through the Alternative Housing Voucher Program, which is designed to help people with disabilities live independently in 1-bedroom units. EOHLC and CEDAC are currently finalizing tenant selection procedures for the program. The Development will receive capital funding from the Accessibility Affordable Housing Grant ("AAHG") program for the six AHVP units.
3. **Massachusetts Historical Commission Review & Memorandum of Agreement.** Due to the historical elements of the site and eligibility to be listed in the National Registry of Historical Places, as well as the Project's adverse effects, a MOA was established in December 2023 between EOHLC, the Newton Community Development Authority (NCDA), the Massachusetts Historical Commission (MHC) Office of Massachusetts State Historic Preservation Officer (MASHPO) and the Sponsor. The MOA requires certain stipulations of the Sponsor, including review of the West Newton Armory headhouse design and adjacent historic properties prior to demolition of the rear field house, and submission of a photographic recordation plan and the development of an interpretive exhibit commemorating the history of the West

Newton Armory. MassHousing has notified MHC of the agency's involvement with the Development as the tax-exempt conduit lender.

4. **Local Preference.** The Sponsor has proposed that 25% of the units to be occupied by Newton residents at initial lease up to expand affordable housing opportunities in the Newton area to eligible applicants. The extent of the preference and its criteria are subject to the approval of MassHousing and EOHLIC.

| Underwriting Criteria and Loan Terms | West Newton Armory | Underwriting Standards |
|--|---|--|
| 1. DSCR | 1.23 | Minimum of 1.10 |
| 2. Term/Amortization | 20 y / 40 y | 30-40 y, fully-amortizing |
| 3. Loan to Value | TBD | Maximum of 90% based on third party "as-proposed" investment value |
| 4. Underwriting Rents | PB-Rental Subsidy contract or market supported rents. | Lesser of: <ul style="list-style-type: none"> • PB-Rental Subsidy contract or market supported rents • Programmatic rent cap or rents supported by MassHousing market review. |
| 5. Vacancy Allowance | PB-Section 8 & MRVP: 5% AHVP 60% of AMI: 5% LIHTC 60% of AMI: 7% | Minimum of: <ul style="list-style-type: none"> • 2.5% for PB – Rental Subsidy • 3.0% for LIHTC • 5.0% for unrestricted or workforce housing |
| 6. Affordability | 40% at 60% AMI | Minimum of: <ul style="list-style-type: none"> • 20% at 80% of AMI for MassHousing Statute • 40% at 60% or 20% at 50% of AMI for loans with FHA Insurance, HUD/FFB, Tax-Exempt Bond, and/or Federal LIHTC |
| 7. Annual Deposits to Replacement Reserves | N/A for conduit loans | Minimum of: <ul style="list-style-type: none"> • \$360 unit / year (new construction) • \$500 unit / year (rehab) Note: Additional initial deposit to reserves may be required by the third-party CNA to fund twenty-year capital needs. |
| 8. Operating Expenses | Approximately \$16,500 unit / year | Typically, between \$11,000 and \$15,000 per unit. |

13. Low-Income Housing Tax Credits

The Sponsor has included in its financing proposal a request for the use of 4% Low-Income Housing Tax Credits (the “4% Credits”). The 4% Credits may be utilized as a result of the funding of a portion of the financing with tax-exempt bonds or notes of MassHousing which are to be issued under Section 142 of the Internal Revenue Code of 1986, as amended (the “Code”) and are subject to a volume capacity allocation under Section 146 of the Code.

Use of the 4% Credits must be approved by EOHLC as the “housing credit agency” under Section 42 of the Code who must make the determination required under Section 42(m)(1)(D) of the Code that the development and financing proposal meets the requirements of the Commonwealth’s Qualified Allocation Plan. In addition, MassHousing, as the issuer of tax-exempt obligations which generate the 4% Credits must determine under Section 42(m)(2)(D) of the Code that the amount of 4% Credits does not exceed the amount necessary for the financial feasibility and long-term viability of the Development. Such determination shall be made applying the standards set forth in the proposed Board vote herein, as required by Section 42(m)(2)(B) of the Code.

West Newton Armory
VOTES AND FINDINGS

PROPOSALS AND VOTES

OAS

RECOMMENDATION:

Staff has reviewed the development experience and creditworthiness of the mortgagor and sponsor and found them to be acceptable. Staff has also determined that the mortgagor, sponsor, or an affiliate under common control has demonstrated evidence of site control, that the proposed site is acceptable for the intended housing, and that there is a need for the proposed housing in the community where the site is located. Therefore, staff recommends the following votes for approval:

VOTED: To approve the findings and determinations set forth immediately following this vote and to authorize (i) the Agency to grant Official Action Status and consider the application for a loan commitment for the multifamily development known as “West Newton Armory” (the “Development”) at such time as it is submitted; (ii) this vote to serve as a declaration of official intent under Treasury Regulations Section 1.150-2 that such loan (a) be funded with proceeds of tax-exempt debt issued in the future and (b) reimburse, in accordance with Treasury Regulations Section 1.150-2, up to \$19,900,000 of costs of the Development paid prior to the issuance of such debt or the making of such loan; provided that this vote does not require the Agency to make any expenditure, incur any indebtedness or proceed with the Development.

Official Action Status Findings

In accordance with the vote of the Members of MassHousing dated October 10, 2023, staff makes the following Official Action Status findings for the Development:

1. The mortgagor or sponsor has acceptable multifamily housing development experience and acceptable credit history.
2. The mortgagor, sponsor or an affiliate under common control has demonstrated evidence of site control, which may include a deed, a ground lease, a purchase option, a contract of sale, or designation under a public land disposition process.
3. The site is acceptable for the proposed housing.
4. There is a need for the proposed housing in the community where the site is located.

Commitment of a Conduit Loan

VOTED: To approve the findings and determinations set forth below and to authorize the issuance of multifamily tax-exempt obligations in an estimated principal amount of \$19,900,000, in one or more series pursuant to one or more indentures and/or financing agreements with such terms, interest rates, redemption provisions and maturity schedules as shall be approved by any of the Chief Executive Officer, Chief Legal and Operating Officer, General Counsel, Financial Director, Comptroller, or Director (or Senior Director) of Finance and Bond Compliance, acting singly, and any officer or employee of MassHousing acting in such capacity or otherwise authorized to perform specific acts or duties by resolution of MassHousing (each an “Authorized Officer”), each Authorized Officer, acting singly, being authorized to execute and deliver such agreements and any other documents, instruments, and agreements necessary to effectuate the purposes of a conduit financing, with the proceeds of such issuance to be lent to West Newton Armory LLC or another single-purpose entity controlled by Metro West Collaborative Development, Inc. or an affiliate (the “Borrower”) as owner of the multifamily residential development known as “West Newton Armory” (the “Development”) and located in Newton, Massachusetts, and in accordance with the applicable Conduit Loan Closing Standards approved by the Members of MassHousing on September 12, 2017 and delegations of authority previously approved by the Members of MassHousing, and further subject to (1) compliance with all applicable laws and all regulations and requirements of applicable financing programs, and (2) the following special conditions: “None.”

FURTHER VOTED: To authorize the Chief Executive Officer, the Chief Legal and Operating Officer and the Vice President of Multifamily Programs, and their respective designees, each acting singly, to permit the Borrower to enter into, or assume, mortgage loans with third parties with respect to the Development, including a taxable construction loan with Silicon Valley Bank (the “SVB Loan”), provided that (1) any such mortgage loans, other than the SVB Loan, shall be subordinated to MassHousing’s first mortgage loan, and other MassHousing debt as determined by the Chief Executive Officer, the Chief Legal and Operating Officer or the Vice President of Multifamily Programs, and (2) such subordinate mortgage loans shall be subject to MassHousing’s requirements pertaining to subordinate mortgages, in a manner acceptable to MassHousing’s General Counsel or their designee.

4% Low-Income Housing Tax Credits

VOTED: That the amount of 4% Credits, as set by the Chief Executive Officer, the Chief Legal and Operating Officer, the Vice President of Multifamily Programs, the Senior Director of Capital Deployment, the Director (or Senior Director) of Rental Underwriting, the General Counsel or the designee of any of the foregoing, prior to loan closing, to be used in connection with the multifamily development located in Newton, Massachusetts and known as “West Newton Armory” (the “Development”) will not exceed the amount which is necessary for the financial feasibility of the Development and its viability as a qualified low-income housing project throughout the credit period, having taken into consideration:

- (a) the sources and uses of funds and the total financing planned for the Development;
- (b) any proceeds or receipts expected to be generated by reason of tax benefits;
- (c) the percentage of the tax credit amount used for Development costs other than the cost of intermediaries; and
- (d) the reasonableness of the developmental and operational costs of the Development, provided, however, that such determination shall not be construed to be a representation or warranty as to the feasibility or viability of the Development.

FURTHER VOTED: To authorize the Chief Executive Officer, the Chief Legal and Operating Officer, the Vice President of Multifamily Programs, the Senior Director of Capital Deployment, the Director (or Senior Director) of Rental Underwriting, the General Counsel or the designee of any of the foregoing, each acting singly, to set the amount of 4% Credits to be used in connection with the Development applying the standards set forth in the immediately preceding vote.

STATUTORY FINDINGS AND DETERMINATIONS

Statutory Findings:

The Loan(s) will be financed under the provisions of Section 5 of MassHousing's enabling act, Chapter 708 of the Acts of 1966, as amended (the "Act"). Pursuant to Section 5(g) of the Act, staff makes the following findings for the proposed Development:

1. The affordability of rents for 20% of the units:

Forty-three units (100%) in the Development will be affordable to low-income persons and families, as specified in the Act, at the adjusted rentals shown in the rent schedule below.

2. Shortage of Affordable Housing Units in the Market Area

The market needs data reflects the information available to A&M staff as of the date of collection November 13, 2024. Further, the reader is cautioned and reminded that any observations, comparisons, and/or conclusions are based on the data as of the collection date.

In-house data for larger market and mixed-income complexes (approximately 1,149 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 95.8%, and range between 94% and 98%. None of the comparables were offering concessions.

Fourth Qtr. 2024 CoStar data for the subject's Brookline/Newton/Watertown Submarket (11,166 units) has an overall vacancy rate at 3.2% YTD, which is a decrease of .72% from one year ago. CoStar data for the Boston market (281,565 units) has an overall vacancy rate of 4.9% YTD, which is a decrease of .54% from one year ago. The Brookline/Newton/Watertown Submarket vacancy rate is projected to increase to 3.8% over the next five years, while the Boston market is projected to increase to 5.8%.

CoStar submarket data for the Brookline/Newton/Watertown submarket 4-5 Star building type (3,676 units) indicates a 4th Qtr. 2024 vacancy rate of 4.6% and an average asking rent of \$3,772, while submarket data for the subject's 3 Star building type (4,042 units) indicates a 4th Qtr. 2024 vacancy rate of 3.4% at an average asking rent of \$3,355 and 1-2-Star buildings (3,448 units) indicates a 4th Qtr. 2024 vacancy rate of 1.36% at an average asking rent of \$2,587. The development with its amenities, more closely reflects the 3 Star building type, and is reflected in both the vacancy rate and market rent potential.

According to the Executive Office of Housing and Livable Communities (EOHLC) Chapter 40B Subsidized Housing Inventory (06/29/23), the City of Newton has 33,116 year-round housing units, 2,870 (8.67%) of which are subsidized for low/moderate income households.

Per the Newton Housing Authority (NHA) and the City of Newton 5-year Consolidated Plan (FY21-FY25) the authority owns 90 units of State funded family public housing comprised of 2-, 3- and 4-bedrooms units, with a total of 3,984 applicants on the waiting list. These units are

scattered throughout Newton. NHA also owns two State funded elderly/disabled public housing units with 32 one-bedroom units and 238 applicants on the waiting list. They also administer 30 Massachusetts Rental Vouchers (MRVP) and there are two applicants on the waiting list.

Regarding Federal funded public housing, NHA owns six Federal funded elderly/disabled public housing developments with a total of 298 one-bedroom with a total of 130 applicants of the waiting list. NHA also administers 441 Section 8 Housing Choice Vouchers. NHA participates in the Massachusetts Section 8 Centralized Waiting List and there are currently 157,048 applicants on this list.

NHA also administers the following other Federal funded programs: 1) Section 8 YMCA Project-based Single Room Occupancy Program for Single Homeless Men. There are 25 units in this facility that are subsidized by Section 8 project-based vouchers and there are eight applicants on the waiting list. 2) Section 8 Victims of Domestic Violence Program. The program has of 15 units dedicated to victims of domestic violence and there are 54 applicants on the waiting list. The Newton Housing Authority is the owner of two properties funded by the Commonwealth of Massachusetts Department of Housing and Community Development. These properties are leased to vendors who operate residential programs for special needs clients.

U.S. Census data from the 2019-2023 American Community Survey (ACS) indicates that of the 32,074 households in the City of Newton approximately 67.1% earned less than the HUD published 2024 AMI (\$148,900), approximately 23.9% earned less than 50% of 2024 AMI, approximately 34.3% earned less than 60% of the 2024 AMI and approximately 55.1% earned less than 80% of the 20247 AMI.

3. Inability of Private Enterprise Alone to Supply Affordable Housing

MassHousing staff has completed an analysis of the market rate rents, as defined by Agency statute, which absent MassHousing financing, would be required to support the development and operations of the Development. Based on the substantial difference between these market rents (shown in the Rent Schedule below) and the rents for this project, MassHousing staff finds that private enterprise alone cannot supply such housing.

4. No Undue Concentration of Low-income Households

The financing herein proposed does not lead to the undue concentration of low-income households.

5. Elimination or Repair of Unsafe or Unsanitary Dwelling Units

As evidenced by data cited in Finding No. 2 above, there is an acute shortage of decent, safe, and sanitary housing available to low-income persons and families in the general housing market area of the Development. Although staff is not aware of units within the same market area that require demolition or compulsory repair, by preserving the affordable housing proposed here, those in need of affordable housing will not be forced to accept residence in substandard units. So long as the acute shortage of affordable housing persists, actions of public agencies to increase the supply of affordable housing will reduce the market forces that allow unsafe and unsanitary units to persist. In addition, MassHousing, through its administration of housing programs, and other public agencies (e.g., local enforcement of building codes), continue to require repair of substandard units as such units are identified.

Rental Determinations:

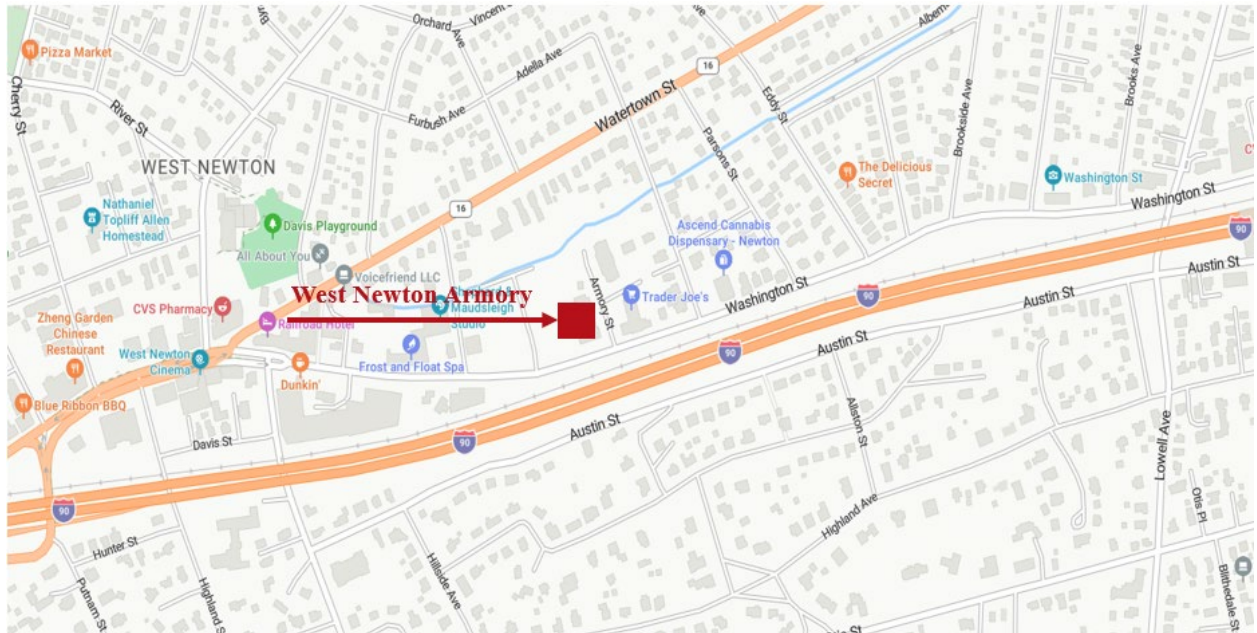
Pursuant to Section 6(a) of the Act, MassHousing makes the following rental determinations for units within the proposed Development:

Rent Schedule:

| | | | |
|--|---------------|---------|---------|
| Number of Bedrooms | 1BR | 2BR | 3BR |
| Number of Units | 15 | 21 | 7 |
| Net SF/Unit | 630 | 850 | 1030 |
| Elev./Non-Elev. | Y | Y | Y |
| Market Rate Rent (10% Rate 20 Year Term) | \$2,545 | \$2,844 | \$3,353 |
| MHFA Below Market Rent (Cost-Based Rent) | \$1,965 | \$2,264 | \$2,773 |
| MHFA Adjusted Rent | 30% of Income | | |
| Underwriting Rents | | | |
| Section 8 PBV | - | \$2,982 | \$3,592 |
| MRVP | - | \$2,711 | - |
| AHVP - 60% AMI | \$2,516 | - | - |
| 60% AMI | \$1,652 | \$1,982 | \$2,291 |

Based on this information, MassHousing staff finds that a significant need exists for the type of development proposed here, that private enterprise alone cannot supply such housing, and that the financing of the Development will not create or contribute to an undue concentration of low-income persons or adversely impact other housing in the area.

MAP AND PICTURES





Loan Commitment Proposal | January 14, 2025

West Newton Armory



| | |
|--------------------|--|
| Location | Newton |
| Sponsor | Metro West Collaborative Development, Inc. |
| Transaction Type | Production (4%) |
| Funding Type | Forward – Conduit Private Placement |
| Execution Type | Conduit – Tax-Exempt |
| Credit Enhancement | None |
| Total Rental Units | 43 Units |
| Affordability Mix | 43 Affordable |

Deal Team Members

| | |
|------------------|---------------------------------|
| Origination | Jeff Geller, Sim Montrond |
| Underwriting | Christelle Mbah, Kelly Johnson |
| Asset Management | Susan Lynch, Maureen McAllister |

Borrower Team

| | |
|-----------------------------------|--|
| Mortgagor Entity | West Newton Armory LLC |
| Developer / Sponsor | Metro West Collaborative Development, Inc. and Civico Development, LLC |
| General Partner / Managing Member | West Newton Armory MM LLC |
| Construction Lender | First-Citizens Bank & Trust Company |
| Consultant | David Aiken Development Consulting |
| Syndicator / Investor | Red Stone Equity Partners LLC |
| Management Company | Maloney Properties, Inc. |
| Architect | Davis Square Architects, Inc. |
| General Contractor | Dellbrook Construction, LLC d/b/a Dellbrook JKS |

Recommended Votes

- Approval of First-Citizens Bank & Trust Company
- Ratification and confirmation of December 10, 2024 votes

Delinquency Summary Report



Dec 31, 2024

Delinquencies in Excess of: \$1,000
Monthly Billed Loans

| Program Type | Principal Program Detail | Number of Developments | Project Outstanding Loan Amount | Developments Delinquent | Delinq Outstanding Loan Amount | Pct \$ Delinq Loans | Pct # Delinquent Loans |
|---------------------------|------------------------------------|------------------------|---------------------------------|-------------------------|--------------------------------|---------------------|------------------------|
| INDEP | Options for Independence | 17 | \$406,634 | 0 | \$0 | 0.00% | 0.00% |
| INDEP - Total | | 17 | \$406,634 | 0 | \$0 | 0.00% | 0.00% |
| OTHER | Other Subordinate Only | 1 | \$984,703 | 0 | \$0 | 0.00% | 0.00% |
| OTHER - Total | | 1 | \$984,703 | 0 | \$0 | 0.00% | 0.00% |
| SECT8NONP | Project Based Section 8 - Not PBCA | 4 | \$27,800,916 | 0 | \$0 | 0.00% | 0.00% |
| SECT8NONP - Total | | 4 | \$27,800,916 | 0 | \$0 | 0.00% | 0.00% |
| SECT8PBCA | Project Based Section 8 - PBCA | 176 | \$3,182,149,498 | 0 | \$0 | 0.00% | 0.00% |
| SECT8PBCA - Total | | 176 | \$3,182,149,498 | 0 | \$0 | 0.00% | 0.00% |
| SECT8VOUCH | Project Based Section 8 Vouchers | 26 | \$257,538,409 | 0 | \$0 | 0.00% | 0.00% |
| SECT8VOUCH - Total | | 26 | \$257,538,409 | 0 | \$0 | 0.00% | 0.00% |
| SHARP | SHARP/ RDAL | 4 | \$62,870,225 | 0 | \$0 | 0.00% | 0.00% |
| SHARP - Total | | 4 | \$62,870,225 | 0 | \$0 | 0.00% | 0.00% |
| TAXCREDIT | Tax Credit (4% and/or 9%) | 163 | \$1,524,662,167 | 1 | \$33,825,580 | 2.22% | 0.61% |
| TAXCREDIT - Total | | 163 | \$1,524,662,167 | 1 | \$33,825,580 | 2.22% | 0.61% |
| UNSUB | Un-Subsidized | 20 | \$300,710,216 | 0 | \$0 | 0.00% | 0.00% |
| UNSUB - Total | | 20 | \$300,710,216 | 0 | \$0 | 0.00% | 0.00% |
| WORKFORCE | Workforce Housing Only | 5 | \$50,342,628 | 0 | \$0 | 0.00% | 0.00% |
| WORKFORCE - Total | | 5 | \$50,342,628 | 0 | \$0 | 0.00% | 0.00% |
| | | 12 | \$194,809,003 | 0 | \$0 | 0.00% | 0.00% |
| - Total | | 12 | \$194,809,003 | 0 | \$0 | 0.00% | 0.00% |
| Overall - Total | | 428 | \$5,602,274,398 | 1 | \$33,825,580 | 0.60% | 0.23% |

Delinquency Detail

Dec 31, 2024
Delinquencies in Excess of: \$1,000



Tax Credit (4% and/or 9%)

| Principal Program Code | Project Id - Development Name | City/ Town | Total Rental Units | Project Outstanding Loan Amount | Total Due & Uncollected | Past Due Installments |
|------------------------|--------------------------------|------------|--------------------|---------------------------------|-------------------------|-----------------------|
| TAXCREDIT | 16-004 Pac 10 Lofts, Phase One | Lawrence | 180 | \$33,825,580 | \$18,358,542 | 24 |
| Overall - Total | | | 180 | \$33,825,580 | \$18,358,542 | |

Comments Detail



Dec 31, 2024

Delinquencies in Excess of: \$1,000

| Program Desc | Program Code | Project Id - Development Name | City | Number of Units | Current Principal Balance | Forbearance Start Date | Forbearance Expire Date |
|---------------|--------------|-------------------------------|-----------|-----------------|---------------------------|------------------------|-------------------------|
| Un-Subsidized | UNSUB | 85-016 HEBRONVILLE MILL | Attleboro | 83 | \$11,825,874.99 | Jul 31, 2020 | Jan 1, 2027 |
| | | | | | \$11,825,874.99 | | |