Minutes of the Regular Meeting of the
Members of MassHousing
held on
June 10, 2025

The regular meeting of the Massachusetts Housing Finance Agency – doing business as MassHousing – was held June 10, 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 Duverné	X	
Tom Flynn	X	
Darnell Dunn	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 then indicated that the first order of business was the approval of the minutes of the May 13, 2025 meeting.

Upon a motion duly made and seconded, by roll call vote, by all Members present (Bran Shim and Michael Glover not yet attending), it was:

VOTED: That the minutes of the Regular Meeting of the Members held on May 13, 2025 are hereby approved and placed on record.

Michael Glover joined the meeting.

Chief Executive Officer's Report

Chrystal Kornegay began her report by discussing MassHousing's comprehensive internship program, now in its third year. Ms. Kornegay detailed the process and explained that MassHousing received 669 applicants and of those candidates 46 were chosen to be interviewed and ultimately 16 interns, from 10 different schools were offered internships to work in 11 different MassHousing departments. Jeanne Pinado said that she has experience in the hiring of interns and reiterated what a great opportunity this is for the interns and MassHousing.

Ms. Kornegay then discussed the Commonwealth Builder program. The program began in 2019 and has since expanded its reach across the Commonwealth. To date, MassHousing has committed $177 million of funding in 13 municipalities creating 804 new homeownership opportunities. Demand for Commonwealth Builder funding is “over subscribed” by almost 3:1, but the limited funds available are expected to be made available in a competitive funding round later this year. Carmen Panacopolous asked how the distribution of funds would be prioritized. Ms. Kornegay responded that readiness would likely be the biggest factor, but geographic distribution, and cost efficiency will also be important.

Bran Shim joined the meeting.

Vote Approving the Fiscal Year 2026 Fiscal Plan

Rachel Madden presented the proposed Fiscal Plan for Fiscal Year 2026. Ms. Madden began with a summary of Net Income, excluding grant activity, over the past several fiscal years, noting that the FY26 Budgeted Net Income is 7.9% higher than the FY25 Budget Net Income. Multifamily income is budgeted higher in FY26, with budgeted increase in lending income and servicing income, offset by lower Net Interest spread. Single-family income is also budgeted higher, driven by lending income, servicing income and net interest spread and offset by higher SRP purchases. MIF Production is predicted to be higher due to the increase in single-family production. Ms. Madden then walked through the various slides and appendices summarizing the Fiscal Plan. Jeanne Pinado asked if any new products were being added and Ms. Madden noted the recent modifications to the DPA program that have been very marketable.

Ms. Madden said that the payroll is increasing as well as the GIC payments. Ms. Panacopolous asked what the impact of the increased GIC cost would be on MassHousing employees. Ms. Madden responded that MassHousing has absorbed most of the costs. Herby Duverné asked about a flat or reduced budget in light of the uncertainty in the federal government. Ms. Madden noted that the budget is generally built upon Agency need and noted that MassHousing is constantly monitoring the changes and is prepared to course correct if the need arises.

Tom Flynn asked what the plans were for the 3rd floor space that had been previously sublet and Ms. Madden noted that the Agency intends to occupy the space.

Ms. Madden then summarized the effects of grant activity and how the timing of grant receipts against grant disbursements can create confusion in some of the reporting and reviewed the Net Income both including grant activity and excluding grant activity. Michael Glover asked if we will continue to see grant discrepancies and for how long. Ms. Madden responded that given the disbursement of grants already received and several additional grant receipts anticipated, the discrepancy in the timing will continue for some time.

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

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

Vote to Accept the Recommendation of the Retirement Board under M.G.L c. 32 § 103

Joseph Petty presented a recommendation of the Retirement Board under M.G.L. c. 32 § 103 with regards to an increase to the COLA Base.

The Members discussed the reasons for the proposed increase and the nature of the COLA rate and the Base amount. Mr. Petty noted that the pension fund is approximately 93% funded and the Members requested benchmarks for the future on how the fund compares to other retirement system funds.

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

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

Carolina Avellaneda and Bran Shim left the meeting.

Loan Committee

55 Hudson Rental (f/k/a Parcel R-1), Boston (Chinatown)

Sarah Hall presented a proposal for Official Action Status, Commitment of Tax-Exempt Conduit Loan, and Approval of the Use of Low-Income Housing Tax Credits for 55 Hudson Rental (f/k/a Parcel R-1), Boston (Chinatown).

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.

Darnell Dunn left the meeting.

Northern Heights Apartments, Springfield

Michael Carthas presented a proposal for Official Action Status, Commitment of Tax-Exempt

Conduit Loan, and Approval of the Use of Low-Income Housing Tax Credits for Northern Heights Apartments in Springfield.

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.

Somerhill (f/k/a 259 Lowell Street), Somerville

Michael Carthas presented a proposal for Official Action Status, Commitment of a Permanent Tax-Exempt Loan, Commitment of a Tax-Exempt Bridge Loan and Approval of the Use of Low-Income Housing Tax Credits for Somerhill (f/k/a 259 Lowell Street) in Somerville.

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.

Claremont Grafton, Grafton

Jeffrey Geller and Brian Robinson presented a Commitment of Momentum Fund Equity and Commitment of a Subordinate Loan for Claremont Grafton in Grafton.

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 being none, the meeting adjourned at 3:15 p.m.

A true record.

Attest.

Colin M. McNiece
Secretary

Materials:

- Board Package, June 10, 2025

Massachusetts Housing Finance Agency
One Beacon Street Boston, MA 02108

Tel: 617-854-1000 | Relay 711
Fax: 617-854-1091 | www.masshousing.com

Posted: June 5, 2025 @ 4:05 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, June 10, 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/87998909253
The Zoom meeting ID is: Meeting ID: 879 9890 9253
The Zoom Passcode is: 017828

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

Attention will be given to the following matters:

1. <u>EXECUTIVE ACTIONS</u>

A. Call to Order

B. Vote Approving the Minutes

- Regular Meeting of May 13, 2025

C. Chief Executive Officer's Report

D. Vote Approving the Fiscal Year 2026 Fiscal Plan

E. Vote to Accept the Recommendation of the Retirement Board under M.G.L. c. 32 § 103(j)

2. <u>LOAN COMMITTEE</u>

A. 55 Hudson Rental (f/k/a Parcel R-1) Boston (Chinatown)

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

B. Northern Heights Apartments, Springfield

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

C. Somerhill (f/k/a 259 Lowell Street), Somerville

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

D. Claremont Grafton, Grafton

- Commitment of Momentum Fund Equity
- Commitment of a Subordinate Loan

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 <u>webinfo@masshousing.com</u>. 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. <u>Click here to view our Accessibility statement.</u>

Steps to Join a Zoom Meeting

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

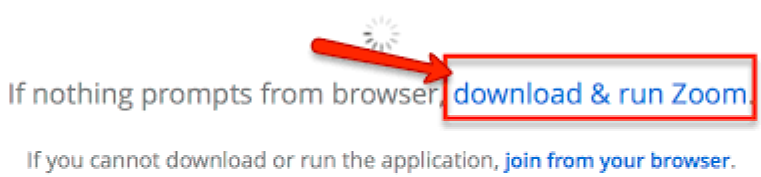
Join Zoom Meeting
https://zoom.us/j/6881564212

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

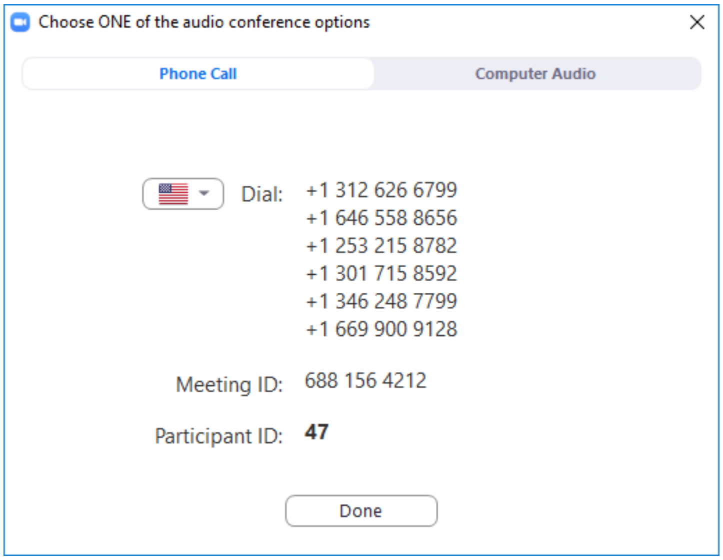
2. Click the link below 'Join Zoom Meeting'.
   NOTE: Simply calling a phone number without "joining the Zoom meeting" will not allow you to see the presentation. Clicking on the link will automatically download the Zoom program (Image below)



3. If Zoom does NOT automatically download and install. Click Download & run Zoom
   NOTE: to see a video about this: https://youtu.be/vFhAEoCF7jg

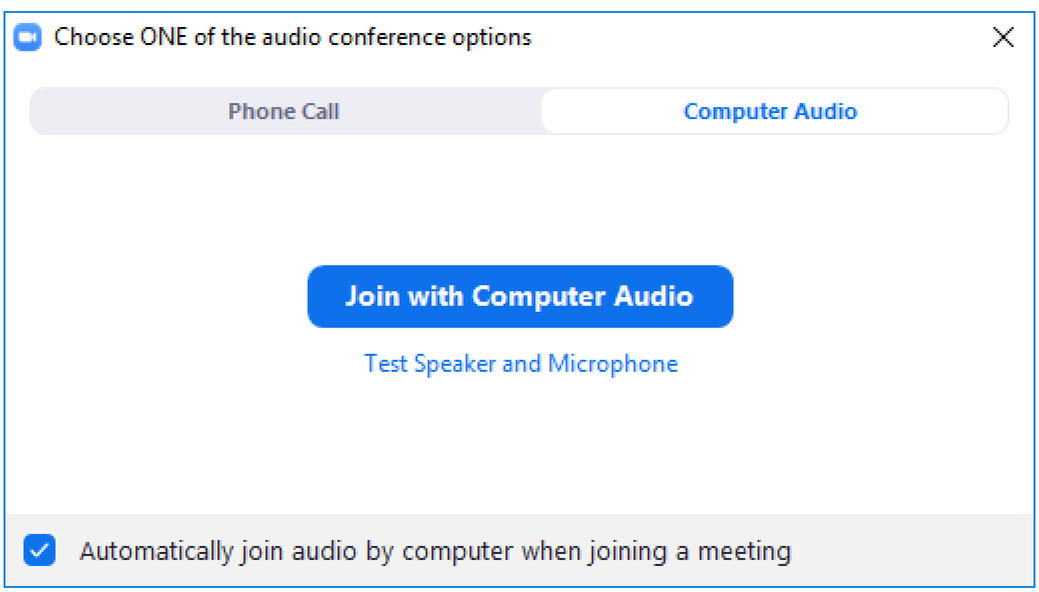
Steps to Join a Zoom Meeting

4. You will be provided with Audio Options.
   NOTE: The numbers for your meeting may be different than the ones in this example.



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.



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

Minutes of the Regular Meeting of the
Members of MassHousing
held on
May 13, 2025

The regular meeting of the Massachusetts Housing Finance Agency – doing business as MassHousing – May 13, 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 Duverné	X	
Tom Flynn	X	
Darnell Dunn	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 then indicated that the first order of business was the approval of the minutes of the April 8, 2025 meeting.

Upon a motion duly made and seconded, by roll call vote, by all Members present (Carolina Avellaneda abstained and Tom Flynn not yet present), it was:

VOTED: That the minutes of the Regular Meeting of the Members held on April 8, 2025 are hereby approved and placed on record.

Chief Executive Officer's Report

Chrystal Kornegay began her report by discussing the Federal Administration's continued issuance of executive orders and MassHousing is tracking and addressing the orders that are relative to MassHousing. Ms. Kornegay stated that any questions related to this topic should be addressed to Colin McNiece.

Ms. Kornegay told the Board MassHousing's lease at One Beacon Street that expires in 2030 is being extended to 2046. There was discussion with regards to the length of the lease and if 15-year lease was standard. Ms. Kornegay replied yes, it is typical for office leases of our size and the lease terms and terms for tenant improvement were extremely favorable to MassHousing. There was discussion about the new square footage figure and Ms. Kornegay noted that the square footage includes changes in the previous and current sublet space, some of which will be used by the Agency and some of which will be released, and that the total leased premises would be smaller.

Ms. Kornegay then introduced Maggie Church, Director of Policy and Programs for MA Community Climate Bank who gave a presentation on the MA Community Climate Bank (MACCB).

Massachusetts Community Climate Bank Presentation

Maggie Church, Director of Policy and Programs for the Massachusetts Community Climate Bank (MCCB), gave an overview presentation of the mission and purpose of MCCB, describing its creation and policy goals. She outlined the success of the Energy Saver Home Loan Program in its first year and then described the recently launched (April 10, 2025) Massachusetts Energy Savings Finder website. The website provides information regarding energy saving programs to Massachusetts residents based on their zip code and utility provider.

Ms. Church continued with a preview of new solar lending initiatives and a new demonstration program for multifamily retro-fits.

Carmen Panacopoulos asked if MCCB collaborates with all of the different departments as MassHousing. Ms. Church replied, yes. Carolina Avellaneda wondered if the new federal administration was creating new challenges with its position on climate change. Ms. Church responded that there are no forward commitments that rely on federal funds and noted that the MCCB is not making any commitments of resources that are not already in hand.

Tom Flynn joined the meeting.

Loan Committee

Ticcoma Green 4% and Ticcoma Green 9%, Nantucket

Michael Carthas presented a proposal for Official Action Status, Commitment of a Permanent Tax-Exempt Loan, Commitment of a Tax-Exempt Bridge Loan and Approval of the Use of Low-Income Housing Tax Credits for Ticcoma Green 4%; and a Commitment of a Permanent Taxable Loan for Ticcoma Green 9% in Nantucket.

Jeanne Pinado asked about the Deferred Developer Fee and why there were so many partners in this deal. Mr. Carthas explained the number of partners involved in partly due to the long-term strategy among those parties as part of the sponsor's succession planning.

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.

Allston Post, Boston

Jeffrey Geller and Brian Robinson presented a proposal for Commitment of a Subordinate Loan and Commitment of Momentum Equity Investment for Allston Post in Boston.

Jeanne Pinado noted the success of seeing the second Bringing Innovation to Lending and Development ("BILD") Commitment come through.

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.

Jackson Place, Cambridge

Amanda Melick presented a proposal for Official Action Status, Commitment of a Permanent Tax-Exempt Loan, Commitment of a Tax-Exempt Bridge Loan and Approval of the Use of Low-Income Housing Tax Credits for Jackson Place Apartments in Cambridge.

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 being none, the meeting adjourned at 2:54 p.m.

A true record.

Attest.

____

Colin M. McNiece
Secretary

Materials:

- Board Package, May 13, 2025

CEO Report

June 10, 2025

- Summer Internship Program
- CWB Reach & Pipeline

MassHousing

Agency Internship Program

MassHousing's Summer Internship Program is in the **third year** of organizing and delivering impactful professional learning experiences for college students.

Goal: Cultivate an **inclusive environment** for students to explore **career opportunities** within the affordable housing industry, while learning about MassHousing's mission and vision.

The 2025 cohort of MassHousing's Summer Internship Program

16
Interns
in this year's cohort

10
Schools
our interns hail from

11
Agency Departments
hosting interns

MassHousing

Intern Selection Process

Tailored job descriptions for each intern position were created, highlighting the key skills and attributes essential for the role. These postings were shared across Masshousing.com, Handshake, and LinkedIn.

- Intern program information session for managers
- Summer Intern Request Forms due from managers
- Job descriptions created and finalized
- Intern positions posted
- Candidate selection and interviews
- Offer letters out to candidates

December *January* *February* *March*

669 Candidates Applied → **46** Candidates Selected for Interview → **16** Interns Selected for positions

MassHousing

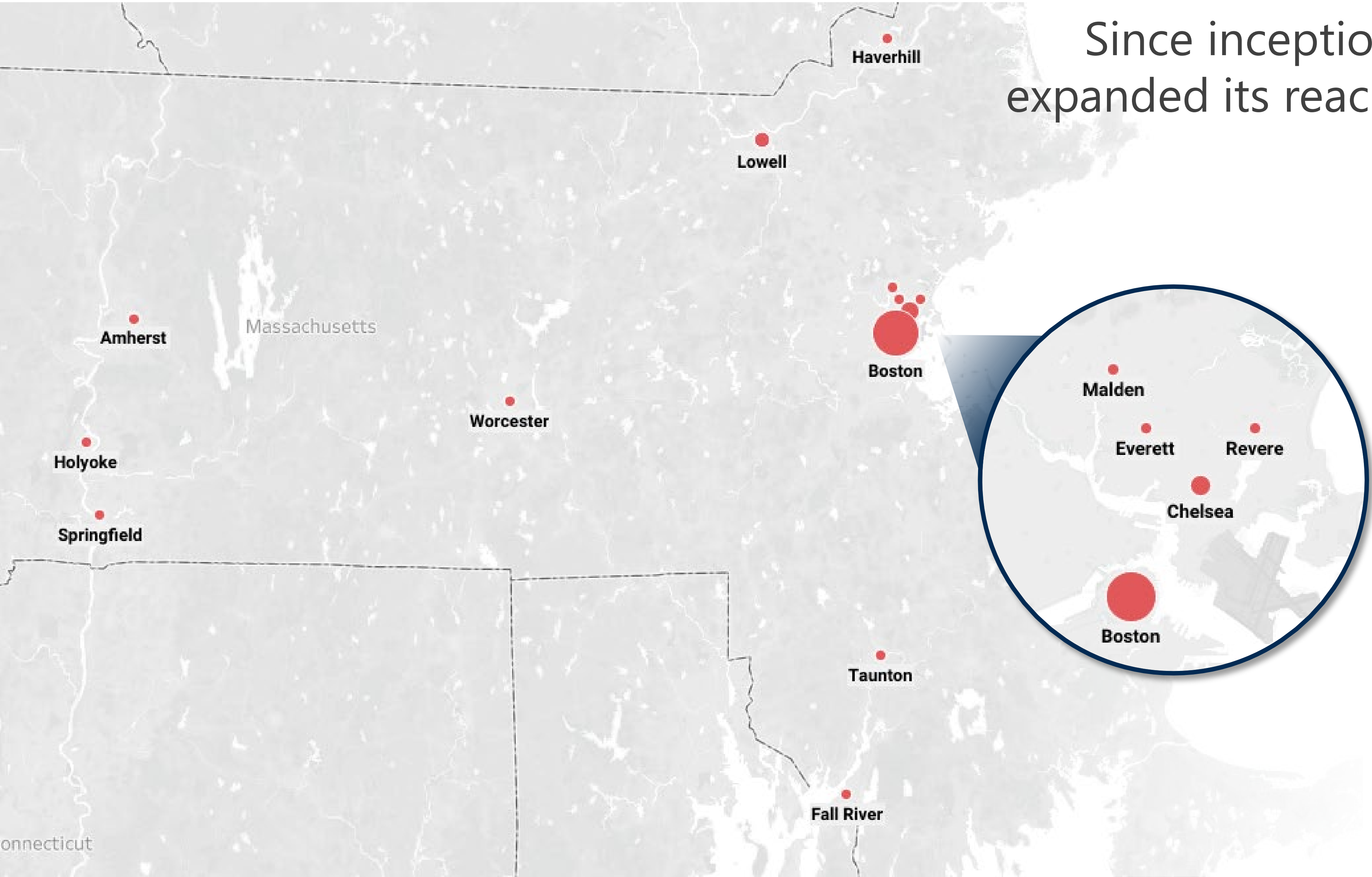
From Intern to Employee

Nicholas O'Donnell | Intern cohort 2024

- **Intern position:** Data analyst in the Homeownership Division
- **Full-time position:** Retention Analyst in the same division.

"When I graduated from Suffolk University, I was eager to reach back out to MassHousing and inquire about openings… I returned to see all of the great people I had worked with and expand my career with the retention team in the Servicing Department."

CommonWealth Builder (CWB) Reach



Since inception in 2019, CWB has expanded its reach across Massachusetts

$176.2M
Committed funding

13
Municipalities

804
New homeownership opportunities

Including:

715
New affordable homes for first-time homebuyers

CWB Pipeline

The demand for CWB funding is **oversubscribed**.

21 projects[1]
in the pipeline

representing

666
New homeownership opportunities

Including:

540
New affordable homes for first-time homebuyers

$130M
Funds requested

With ~**$40M of funding remaining**, MassHousing is expecting to open a competitive funding round.

1: Pipeline does not include inquiries, which are the least developed deals in the pipeline.

Questions?
Comments?

Thank You!

MEMORANDUM

To: Agency Members

Through: Chrystal Kornegay

From: Rachel Madden

Date: June 10, 2025

Subject: Proposed Fiscal Plan for Fiscal Year 2026

I. The Proposed Fiscal Plan

Each year, MassHousing's Members are asked to adopt a Fiscal Plan that establishes financial benchmarks for operating results. We develop the Fiscal Plan to better understand and manage the costs of doing business.

The Fiscal Plan is presented on a modified cash basis and may differ from the year-end Financial Statements due to required accounting treatments of deferrals, accruals, capital items, loan loss provisions, extraordinary items, restrictions, designations, mark-to-market and other non-cash adjustments. In addition, the highly unpredictive nature of grant activity typically results in significant variances between the budget and actual results. The Fiscal Plan includes each of our Business Lines including Multifamily (MF) operations, Single-Family (SF) operations, Mortgage Insurance Fund (MIF) operations, Mission activities (primarily grant activity and operations within the Opportunity Fund), and Corporate Overhead.

The Fiscal Plan represents our best current estimates of business projections and financial forecasts. Since some of the major components of our business (e.g. interest rates and market conditions) are beyond our control, preparing this Fiscal Plan represents a significant, yet necessary, challenge.

The analysis below includes comparisons across the proposed FY26 Fiscal Plan, the approved FY25 Fiscal Plan, and year-end FY25 Projection (which represents actuals through the third quarter plus fourth quarter projections).

The Fiscal Plan presented for your review and approval consists of the following items:

Exhibit 1: Income and Expenses for the Massachusetts Housing Finance Agency and Affiliates

Exhibit 2: Income and Expenses for the Massachusetts Housing Finance Agency and Affiliates – Opportunity Fund Contribution

Exhibit 3: Glossary of Terms

II. Overview of the Fiscal Plan

FY26 Budget Comparison to FY25 Budget and FY25 Projection (Projected Actuals)

The proposed Budget for FY26 (excluding grant activity), projects Net Income of $71.7 million, representing an $5.3 million increase from Net Income (excluding grant activity) of $66.4 million from the approved FY25 Budget.

However, including grant activity, the proposed FY26 Budget projects a Net Loss of ($10.0) million, representing an $80.6 million decrease from the Net Income of $70.6 million in the approved FY25 Budget. The Agency, including grant activity, is budgeting a Net Loss in the FY26 Budget, which is a $211.5 million decrease over the FY25 Projection.

Net Income (Loss)

(in millions)	FY26 Budget	FY25 Budget	FY25 Projection
Net Income Before Grant Activity	$ 71.7	$ 66.4	$ 89.9
Net Grant Activity	(81.6)	4.2	111.6
Net Income (Loss)	$ (10.0)	$ 70.6	$ 201.5

MassHousing began receiving various grant awards (recorded as grant income) in FY20, where the subsequent grant disbursements to award recipients would occur over time. It was noted at that time that the grant disbursements would eventually outpace subsequent/new grant income in future years. In FY24, MassHousing received over $200 million in grant income, and is projecting to receive $198 million in FY25. The Budget FY26 grant income decreased to $44 million from $138 million as compared to the FY25 Budget. In FY26, grant disbursements are budgeted to outweigh grant receipts for the first time since FY20.

There are several factors that lead us to the proposed FY26 Net Income of $71.7 million (excluding grant activity).

Production

MF and SF Production for the FY26 Budget are both higher than the FY25 Production Budget amounts.

The FY26 Multifamily Production Budget is higher, as compared to the FY25 Production Budget, primarily due to the shift across fiscal years of delayed construction projects, which have been negatively impacted by construction and supply chain delays since the pandemic. As a result, the MF FY26 Production Budget is also higher than the FY25 Projected Production due to the completion of previously delayed large projects.

The Single-Family FY26 Production Budget is higher, as compared to the FY25 Production Budget, primarily due to the creation of new products, including the Workforce Advantage loan program and the realigned DPA program. The SF FY26 Production Budget is lower than the SF FY25 Projected Production primarily due to overall uncertainties in the housing market.

Production
(in millions)

	FY26 Budget	FY25 Budget	FY25 Projection
MF Production	$ 760.9	$ 715.0	$ 336.4
SF Production	500.0	475.0	640.0
Total Production	$ 1,260.9	$ 1,190.0	$ 976.4

Multifamily Income

MF income is higher in the FY26 Budget, compared to the FY25 Budget, due to higher lending fee income, offset by a reduction in the Net Interest Spread. MF has a finance fee pricing matrix ranging from 1.0% to 2.0%, which is based on loan amounts. The actual finance fee income percentages that were collected in FY25 were much higher than the budgeted average amount of 1.25%. Total MF Servicing Income is higher in the FY26 Budget, compared to the FY25 Budget, due to an increase in MF subsidy income. MF Net Interest Spread is lower in the FY26 Budget, compared to the FY25 Budget, primarily due to decreases in rates of returns.

Multifamily Income
(in millions)

	FY26 Budget	FY25 Budget	FY25 Projection
MF Lending Income	$ 15.4	$ 10.9	$ 12.8
MF Servicing Income	44.1	43.6	44.0
MF Net Interest Spread	53.0	55.5	59.3
Total	$ 112.5	$ 110.1	$ 116.0

Single-Family Income

SF Lending Income is higher in the FY26 Budget, compared to the FY25 Budget, due to lower borrowing costs. SF Servicing Income is higher in the FY26 Budget, compared to the FY25 Budget, due to growth in the SF portfolio balance. Payoff activity in the SF portfolio decreased during FY25 and that trend is expected to continue in FY26. SF Net Interest Spread is higher in the FY26 Budget, compared to the FY25 Budget, primarily due to increases in the mortgage loan balances and decreases in payoff activity in mortgage loans and mortgage-backed securities (MBS) investments during FY25.

Single-Family Income
(in millions)

	FY26 Budget	FY25 Budget	FY25 Projection
SF Lending Income	$ 3.6	$ 1.0	$ 5.4
SF Servicing Income (Net SRP)	7.2	7.0	5.0
SF Net Interest Spread	14.3	14.0	12.6
Total	$ 25.2	$ 22.0	$ 23.0

Mortgage Insurance Income

MIF Fee income for the FY26 Budget is higher than the FY25 Budget due to higher SF production. MIF new activations continue to outpace cancellations and amortization. The FY26 Budget for MIF Fee Income is lower than the FY25 Projection primarily due to a decrease in the SF Production Budget. MIF Investment Earnings for the FY26 Budget is higher than the FY25 Budget due to the maturity of older investments with lower rates now being invested at higher rates of return. The FY25 Budget for MIF Investment Earnings is lower than the FY25 Projection due to lower interest rates earned on older investments in place when budgeted being reinvested at higher rates during the course of the fiscal year. MIF Insurance Claims for the FY26 Budget are higher than the FY25 Budget due to the expiration of mortgage relief programs, slightly higher unemployment rates, and on-going inflation burden on borrowers.

Mortgage Insurance Fund (MIF)
(in millions)

	FY26 Budget	FY25 Budget	FY25 Projection
MIF Fee Income	$ 5.6	$ 4.7	$ 5.7
MIF Investment Earnings	4.7	4.1	5.2
MIF Insurance Claims	(0.9)	(0.7)	(0.5)
MIF Expenses	(2.1)	(2.1)	(1.9)
Total	$ 7.4	$ 6.0	$ 8.4

Corporate Income

Corporate Income is lower in the FY26 Budget, compared to the FY25 Budget, due to lower grant administrative fees and lower interest rates. The FY26 Budget for Corporate Income is lower than the FY25 Projection due to an expected decline in the collection of grant administration fees.

Mission Income is higher in the FY26 Budget, compared to the FY25 Budget, due to larger cash equivalents and investment balances of the grant programs. MassHousing has received over $300 million in investable grant receipts over the past two years, while grant disbursements are being made over time. The FY26 Budget for Mission Income is higher than the FY25 Projection due to higher budgeted cash and investment balances.

In the FY26 Budget, we are projecting minimal rate cuts, and are therefore budgeting for similar, but more modest, rates than experienced in FY25.

Investment Earnings, Other Income

(in millions)	**FY26 Budget**	**FY25 Budget**	**FY25 Projection**
Corporate Income	$ 9.0	$ 12.3	$ 15.9
Mission Income	13.0	2.1	12.6
Total	$ 22.0	$ 14.4	$ 28.5

Corporate Expenses

Payroll & Related Personnel Expenses are higher in the FY26 Budget, compared to the FY25 Budget, primarily due to increases in payroll and insurance premiums. Payroll has increased to support expanded program activities already underway, new programs and anticipated initiatives, and succession planning. Health insurance costs have also increased significantly, primarily due to the average 11.7% increase in healthcare premiums implemented by the Group Insurance Commission for the FY26. Budget headcount for FY26 is 366 FTEs and remains the same as the FY25 Budget.

Professional Services are higher in the FY26 Budget, compared to the FY25 Budget, due to the implementation of several key projects. MassHousing's website will be revamped, and the Agency plans to develop a new strategic plan for the upcoming years. MassHousing's audit fees also increase annually, based on an agreed-upon schedule. The FY26 Budget for Professional Services is higher than the FY25 Projection due to the implementation of new initiatives and slight increases in legal and audit fees.

Information Technology (IT) expenses are lower in the FY26 Budget, compared to the FY25 Budget, primarily due to the implementation of new IT software and increased IT consulting costs incurred in the FY25 Budget, which have now been built in the base budget.

Leased Office Space is higher in the FY26 Budget, compared to the FY25 Budget, primarily due to the termination of a sublease contract in March 2025. The FY26 Budget of Leased Office Space is higher than the FY25 Projection primarily due to the termination of a sublease and a slight increase in rent charged per square foot per the existing lease agreement.

Operating Costs are lower in the FY26 Budget, compared to the FY25 Budget, primarily due to a decrease in advertising costs. A new large Homeownership campaign is not in the FY26 Budget due to the high interest rates and low supply in the current housing market. This decrease is partially offset by the three-year premium for mortgage impairment insurance to be paid upfront in FY26. The FY26 Budget for Operating Costs is higher than the FY25 Projection due to the increase in upfront insurance costs.

Mission Related Expenses from the WCF are higher in the FY26 Budget, compared to the FY25 Budget, primarily due to the funding of the Tenant Preservation Program (TPP) and the funding of MIF premiums for Workforce Advantage loans. The FY26 Budget of Mission Related Expenses from the WCF are higher than the FY25 Projection primarily due to the funding of the TPP program.

Corporate Expenses
(in millions)

	FY26 Budget	FY25 Budget	FY25 Projection
Payroll & Related Personnel Expenses	$ (62.7)	$ (58.7)	$ (58.5)
Professional Services	(4.8)	(3.7)	(3.3)
Information Technology	(11.6)	(12.2)	(11.6)
Leased Office Space	(5.6)	(4.9)	(5.1)
Operating Costs	(4.9)	(5.0)	(4.5)
Mission Related Expenses from the WCF	(5.8)	(1.7)	(3.2)
Total	$ (95.4)	$ (86.2)	$ (86.1)

Grant Activity

The FY26 Budget reflects grant income of $43.5 million for the receipt of funds for various programs, compared to the $137.7 million in the FY25 Budget. The Agency is expected to receive $20.0 million for the CommonWealth Builder Program, $13 million for Workforce Housing, $7.7 million from the Neighborhood Stabilization Program, and $2.5 million from the Gateway Housing Rehabilitation Program in FY26. In the FY25 Projection, we included $198.4 million this year for various programs, with the most significant being $117 million for the CommonWealth Builder Program, $31 million for the Momentum Fund, $25 million for Workforce Housing, $9 million for the Capital Magnet Fund, $7.8 million from the Neighborhood Stabilization Program, and $7.7 million from other smaller programs.

The FY26 Budget includes $125.2 million for grant disbursements, compared to $133.5 million in the FY25 Budget. The Agency is expected to disburse $48.7 million to the CommonWealth Builder Program, $45.2 million to Workforce Housing, $7.2 million to the Neighborhood Stabilization Program, and $2.5 million to the Gateway Housing Rehabilitation Program in FY26. The FY26 Budget includes $125.2 million for grant disbursements, $38.4 million dollars higher than the FY25 Projection.

Grant Activity
(in millions)

	FY26 Budget	FY25 Budget	FY25 Projection
Grant Income	$ 43.5	$ 137.7	$ 198.4
Grant Disbursements	(125.2)	(133.5)	(86.8)
Total	$ (81.6)	$ 4.2	$ 111.6

Opportunity Fund Contribution

For the FY26 Budget, the bond programs are projected to generate $47.4 million net income, of which $17.4 million is projected to be transferred to the Working Capital Fund (WCF). The WCF, exclusive of MIF, the Opportunity Fund and Grant Activity, is projected to generate a net income of $3.8 million, for an aggregate positive excess revenue of $21.2 million, which results in a budgeted contribution to the Opportunity Fund of $10.6 million.

Request for Adoption

Staff recommends that the Members adopt the Fiscal Plan for FY26 as described herein and in the accompanying material and the following vote is recommended:

VOTED: To adopt the proposed Fiscal Plan for Fiscal Year 2026 in substantially the form contained herein and as presented to the Members at their meeting held on June 10, 2025.

Income and Expenses for the Massachusetts Housing Finance Agency and Affiliates
Proposed Busget for Fiscal Year 2026
Exhibit 1
(in thousands)

	FY 2026 Budget Total	FY 2025 Budget Total	Budget to Budget $ Change	Budget to Budget % Change	FY 2025 Projection Total	FY 2026 Budget to FY 2025 Proj $ Change	Budget to Projection % Change
PRODUCTION							
Single-Family Production	$ 500,000	$ 475,000	$ 25,000	5.3%	$ 640,000	$ (140,000)	-21.9%
Multifamily Production	760,900	715,000	45,900	6.4%	336,435	424,465	126.2%
Total Production	**1,260,900**	**1,190,000**	**70,900**	**6.0%**	**976,435**	**284,465**	**29.1%**
INCOME							
Multifamily							
Multifamily Lending	15,426	10,944	4,482	41.0%	12,824	2,602	20.3%
Multifamily Servicing	44,074	43,647	427	1.0%	43,964	110	0.3%
Multifamily Net Interest Spread	53,025	55,492	(2,467)	-4.4%	59,251	(6,226)	-10.5%
Subtotal - Multifamily Income	**112,525**	**110,083**	**2,442**	**2.2%**	**116,039**	**(3,514)**	**-3.0%**
Single-Family							
Single-Family Lending	3,592	994	2,598	261.4%	5,414	(1,822)	-33.7%
Single-Family Servicing (Net SRP)	7,249	7,014	235	3.4%	4,959	2,290	46.2%
Single-Family Net Interest Spread	14,335	14,026	309	2.2%	12,633	1,702	13.5%
Subtotal - Single-Family Income	**25,176**	**22,034**	**3,142**	**14.3%**	**23,006**	**2,170**	**9.4%**
Mortgage Insurance Fund (MIF)							
MIF Fee Income	5,620	4,680	940	20.1%	5,689	(69)	-1.2%
MIF Investment Earnings	4,722	4,131	591	14.3%	5,159	(437)	-8.5%
MIF Insurance Claims	(859)	(710)	(149)	21.0%	(511)	(348)	68.1%
MIF Expenses	(2,120)	(2,072)	(48)	2.3%	(1,901)	(219)	11.5%
Subtotal - MIF Income	**7,363**	**6,029**	**1,334**	**22.1%**	**8,436**	**(1,073)**	**-12.7%**
Investment Earnings, Other Income							
Corporate Income	8,998	12,274	(3,276)	-26.7%	15,942	(6,944)	-43.6%
Mission Income	13,043	2,133	10,910	511.5%	12,585	458	3.6%
Subtotal - Investment Earnings, Other Income	**22,041**	**14,407**	**7,634**	**53.0%**	**28,527**	**(6,486)**	**-22.7%**
TOTAL INCOME	**$ 167,105**	**$ 152,553**	**$ 14,552**	**9.5%**	**$ 176,008**	**$ (8,903)**	**-5.1%**
CORPORATE EXPENSES							
Payroll & Related Personnel Expenses							
Payroll	$ (48,095)	$ (45,388)	$ (2,707)	6.0%	$ (44,897)	$ (3,198)	7.1%
Related Personnel Expenses	(8,586)	(7,401)	(1,185)	16.0%	(7,671)	(915)	11.9%
Pension & OPEB	(6,014)	(5,920)	(94)	1.6%	(5,920)	(94)	1.6%
Subtotal - Payroll & Related Personnel Expenses	**(62,695)**	**(58,709)**	**(3,986)**	**6.8%**	**(58,488)**	**(4,207)**	**7.2%**
Administrative Expenses							
Professional Services	(4,840)	(3,702)	(1,138)	30.7%	(3,330)	(1,510)	45.3%
Information Technology	(11,621)	(12,153)	532	-4.4%	(11,622)	1	0.0%
Leased Office Space	(5,565)	(4,874)	(691)	14.2%	(5,052)	(513)	10.2%
Operating Costs	(4,905)	(4,993)	88	-1.8%	(4,506)	(399)	8.9%
Subtotal - Administrative Expenses	**(26,931)**	**(25,722)**	**(1,209)**	**4.7%**	**(24,510)**	**(2,421)**	**9.9%**
Mission Related Expenses from the WCF							
Mission Related Expenses from the WCF	(5,814)	(1,723)	(4,091)	237.4%	(3,151)	(2,663)	84.5%
Subtotal Mission Related Expenses from the WCF	**$ (5,814)**	**$ (1,723)**	**$ (4,091)**	**237.4%**	**$ (3,151)**	**$ (2,663)**	**84.5%**
TOTAL EXPENSES	**$ (95,440)**	**$ (86,154)**	**$ (9,286)**	**10.8%**	**$ (86,149)**	**$ (9,291)**	**10.8%**
NET INCOME (EXCLUDES GRANT ACTIVITY)	**$ 71,665**	**$ 66,399**	**$ 5,266**	**7.9%**	**$ 89,859**	**$ (18,194)**	**-20.2%**
Grant Activity							
Grant Income	43,532	137,679	(94,147)	-68.4%	198,391	(154,859)	-78.1%
Grant Disbursements	(125,167)	(133,462)	8,295	-6.2%	(86,765)	(38,402)	44.3%
Net Grant Activity	**(81,635)**	**4,217**	**(85,852)**	**-2035.9%**	**111,626**	**(193,261)**	**-173.1%**
NET INCOME (INCLUDES GRANT ACTIVITY)	**$ (9,970)**	**$ 70,616**	**$ (80,586)**	**-114.1%**	**$ 201,485**	**$ (211,455)**	**-104.9%**

Income and Expenses for the Massachusetts Housing Finance Agency and Affiliates - Opportunity Fund Contribution
Proposed Busget for Fiscal Year 2026
Exhibit 2
(in thousands)

	FY 2026 Budget Total	FY 2025 Budget Total	Budget to Budget $ Change	Budget to Budget % Change	FY 2025 Projection Total	FY 2026 Budget to FY 2025 Proj $ Change	Budget to Projection % Change
WCF - Operating Income							
Multifamily Lending	15,426	10,944	4,482	41.0%	12,824	2,602	20.3%
Multifamily Servicing	44,074	43,647	427	1.0%	43,964	110	0.3%
WCF - Multifamily Net Interest Spread	19,321	15,470	3,851	24.9%	16,280	3,041	18.7%
Single-Family Lending	3,592	994	2,598	261.4%	5,414	(1,822)	-33.7%
Single-Family Servicing	7,249	7,014	235	3.4%	4,959	2,290	46.2%
WCF - Single-Family Net Interest Spread	624	617	7	1.1%	771	(147)	-19.1%
Corporate Income	8,998	12,274	(3,276)	-26.7%	15,942	(6,944)	-43.6%
Total WCF - Operating Income	**99,284**	**90,960**	**8,324**	**9.2%**	**100,154**	**(870)**	**-0.9%**
WCF - Operating Costs							
Payroll	$ (48,095)	$ (45,388)	$ (2,707)	6.0%	$ (44,897)	$ (3,198)	7.1%
Related Personnel Expenses	(8,586)	(7,401)	(1,185)	16.0%	(7,671)	(915)	11.9%
Pension & OPEB	(6,014)	(5,920)	(94)	1.6%	(5,920)	(94)	1.6%
Professional Services	(4,840)	(3,702)	(1,138)	30.7%	(3,330)	(1,510)	45.3%
Information Technology	(11,621)	(12,153)	532	-4.4%	(11,622)	1	0.0%
Leased Office Space	(5,565)	(4,874)	(691)	14.2%	(5,052)	(513)	10.2%
Operating Costs	(4,905)	(4,993)	88	-1.8%	(4,506)	(399)	8.9%
Mission Related Expenses from the WCF	(5,814)	(1,723)	(4,091)	237.4%	(3,151)	(2,663)	84.5%
Total WCF - Operating Costs	**$ (95,440)**	**$ (86,154)**	**$ (9,286)**	**10.8%**	**$ (86,149)**	**$ (9,291)**	**10.8%**
Excess of Revenues over Expenses	**$ 3,844**	**$ 4,806**	**$ (962)**	**-20.0%**	**$ 14,005**	**$ (10,161)**	**-72.6%**
Transfers From the Bond Programs							
MF Bond Programs - Housing Bonds	15,000	15,000	-	0.0%	15,000	-	0.0%
MF Bond Programs - Other	2,303	3,165	(862)	-27.2%	3,165	(862)	-27.2%
SF Bond Programs	47	58	(11)	-19.0%	58	(11)	-19.0%
Total Transfers From the Bond Programs	**17,350**	**18,223**	**(873)**	**-4.8%**	**18,223**	**(873)**	**-4.8%**
Excess After Transfers from Bond Programs	**$ 21,194**	**$ 23,029**	**$ (1,835)**	**-8.0%**	**$ 32,228**	**$ (11,034)**	**-34.2%**
Transfer to Opportunity Fund	**$ 10,597**	**$ 23,029**	**$ (1,835)**	**-8.0%**	**$ 32,228**	**$ (11,034)**	**-34.2%**

Exhibit 4

Glossary of Terms used in MassHousing's Fiscal Plan for FY 2026

This material provides a brief explanation of the various revenue and expense categories that are used throughout this Fiscal Plan. This guide does not present textbook definitions of these terms, but describes how certain types of transactions are recognized.

Operating Revenues

Production and New Lending Income
This income is earned and recognized at the time of the loan funding. This includes the following:

- Premiums earned on loans that are securitized and sold to the secondary market and the Single-Family Housing Revenue Bond Program (SFHRB).

- Transaction/underwriting fees include application and financing fees charged for Multifamily Lending loan commitments and closings. In Single-Family (SF), these include borrower processing fees. Fees also include premiums and renewals earned by the Mortgage Insurance Fund (MIF).

- Warehousing, which represent the interest earned on loans that are initially funded through the Working Capital Fund (WCF). The WCF serves as a temporary funding source for SF lending activity, pending subsequent sale of the loans, or loans wrapped by Mortgage-Backed Securities (MBS), either to outside investors or to one or more of MassHousing's bond programs. The warehousing interest earned is offset by the interest expense of the line of credit, which is used to fund the purchase of these loans.

- Construction Loans/Notes, which represents the interest earned on construction loans offset by the interest expense of the construction loan notes used to fund the financing of these loans.

- Other Income, which represents revenue not included elsewhere.

Servicing Income, Spread, and Investment Earnings

- Servicing income includes loan servicing fees, including Government National Mortgage Association (GNMA) and Federal Financing Bank (FFB) service fees, and the Performance Based Contract Administration (PBCA) fees from the U.S. Department of Housing and Urban Development (HUD).

- Single-Family and Multifamily Spread, which represents the interest earned in the bond resolutions on its loans and investment earnings offset by the interest expense of the bonds used to fund the financing of these loans and financing costs.

- In addition, there are fees which are unique to certain resolutions such as remarketing and liquidity fees applicable in the case of variable rate bonds. Lastly, certain resolutions have financed Section 8 developments subsidized with a so-called Financing Adjustment Factor (FAF). The bonds financing these developments were refunded in prior years with the resulting interest rate savings being shared equally with HUD and booked as Financing Costs.

- Risk Share Fee Income, which represents the fees earned for bearing the risk of loss for loans funded under the Risk Sharing Program for Insured Affordable Multifamily Project Loans (Risk-Sharing Program), which is administered by HUD.

- Loan Prepayment Fees, which is a fee received to recapture the interest lost when a loan is paid off before its scheduled maturity date.

- WCF Interest on Loans, which represents a number of loans that have been funded out of WCF or funded on an interim basis pending the issuance of bonds.

Direct Expenses

Administrative Expenses

- Administrative expenses booked to WCF refer to the cost of doing business, including such costs as all personnel and operating expenses, professional service contracts, and leasehold obligations (net of sublease income).

- Administrative expenses booked to the bond resolutions refer to fees paid to the trustees of our bond resolutions.

Insurance Claims

- Insurance claims refer to claims paid by MIF on loans insured by the Fund, or partial claims paid with various risk-share partners.

Servicing Rights Purchased

- The cost to acquire the rights to service, and earn a servicing fee, over the life of the loans.

Cost of Issuance

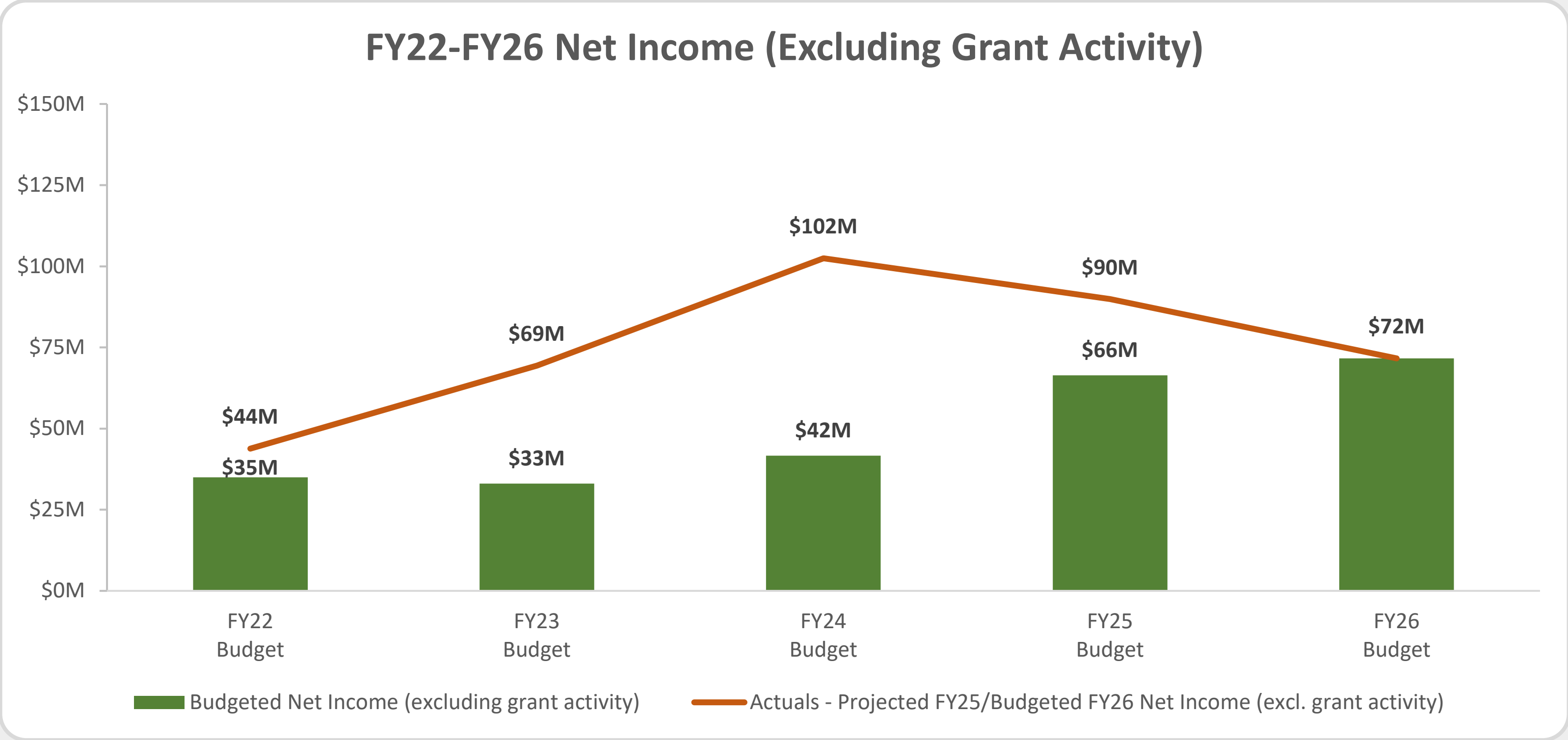
- Financing costs include the costs to issue and refund bonds such as those fees paid to the bond underwriting team and selling group, bond counsel, rating agencies, as well as any ancillary expenses.

Fiscal Year 2026 Budget Presentation
MassHousing Board of Directors

June 10, 2025

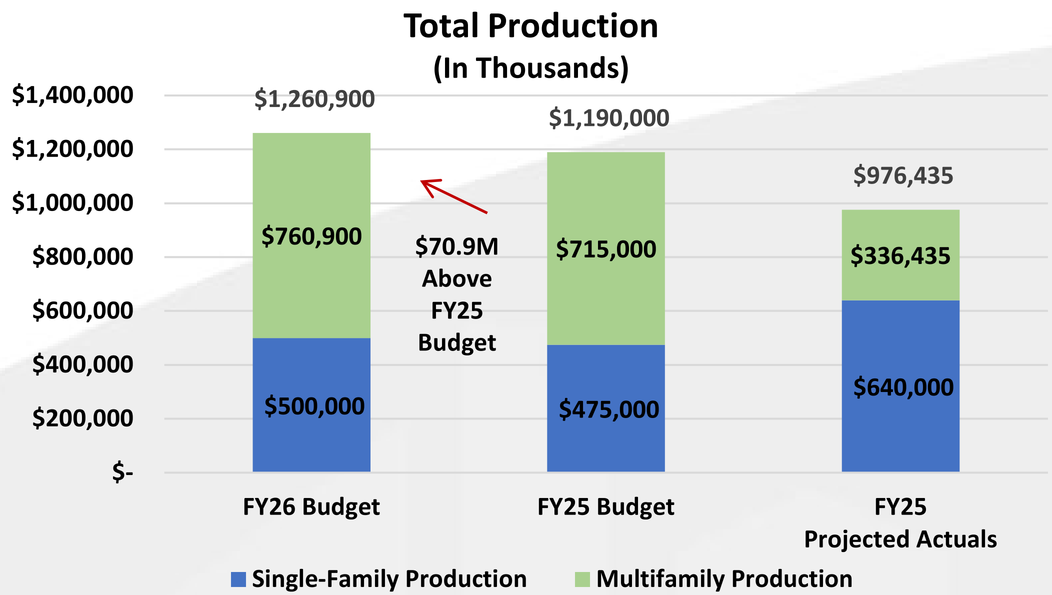
FY26 Budget Net Income (Excluding Grant Activity)

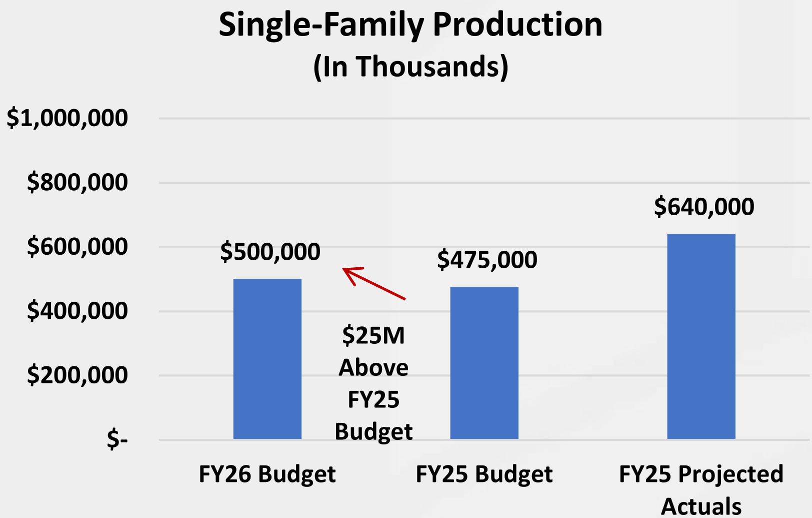
FY26 Budgeted Net Income of $71.7M is $5.3M, or 7.9%, higher than the FY25 Budget Net Income of $66.4M

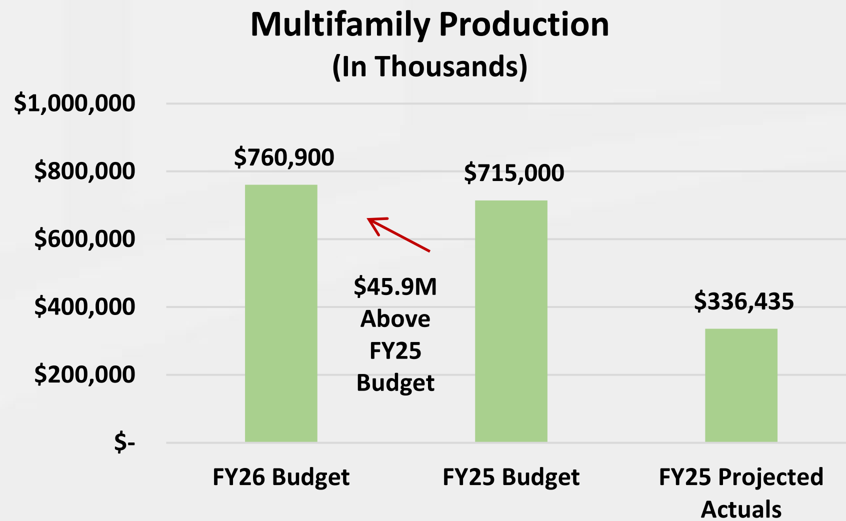


* Notable increase in FY24 Actual Net Income was primarily driven by Investment Income due to significantly higher interest rates than budgeted, as well as unanticipated grant admin fee income.

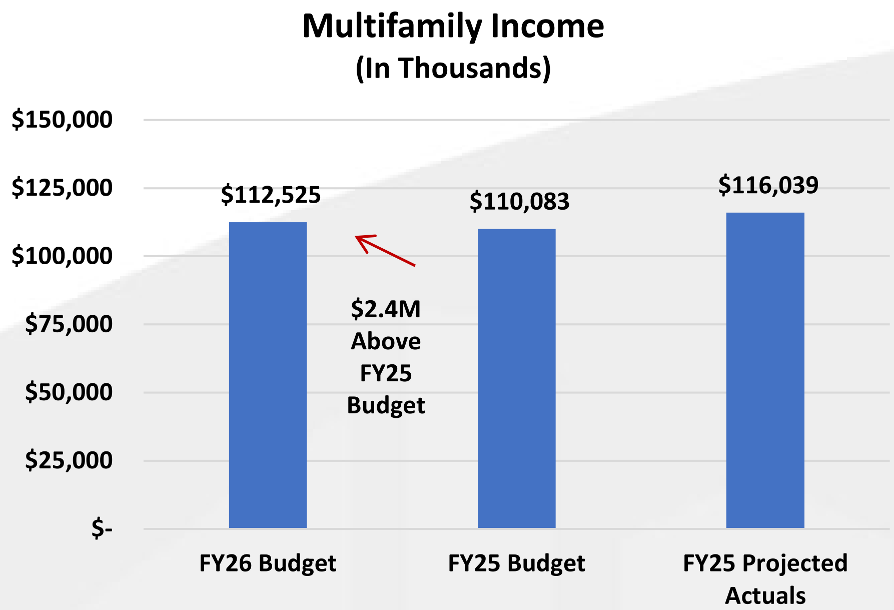
FY26 Budget Production







FY26 Budget Multifamily Income



FY26 Budget Multifamily Income is $2.5M higher than FY25 Budget

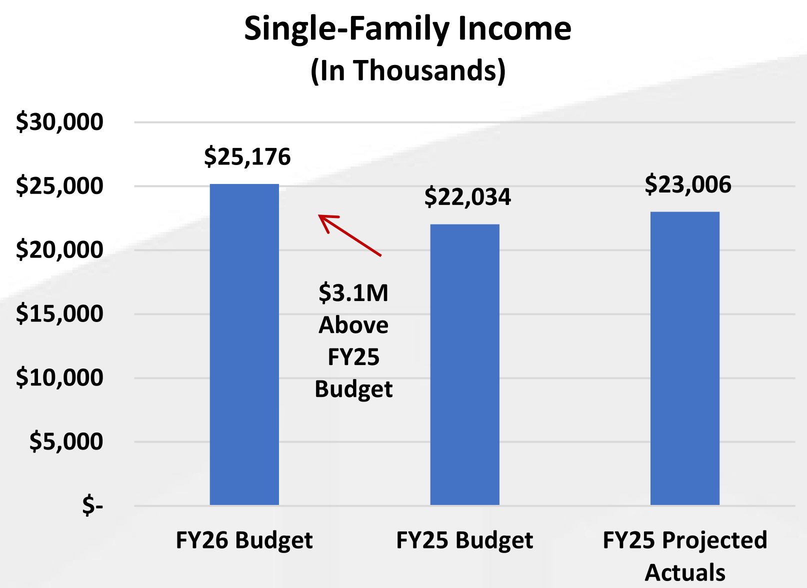
Drivers:

- Multifamily Lending Income is higher by $4.5M
- Multifamily Servicing Income is higher by $500K

Offset by

- Multifamily Net Interest Spread is lower by $2.5M

FY26 Budget Single-Family Income



FY26 Budget Single-Family Income is $3.1M higher than FY25 Budget

Drivers:

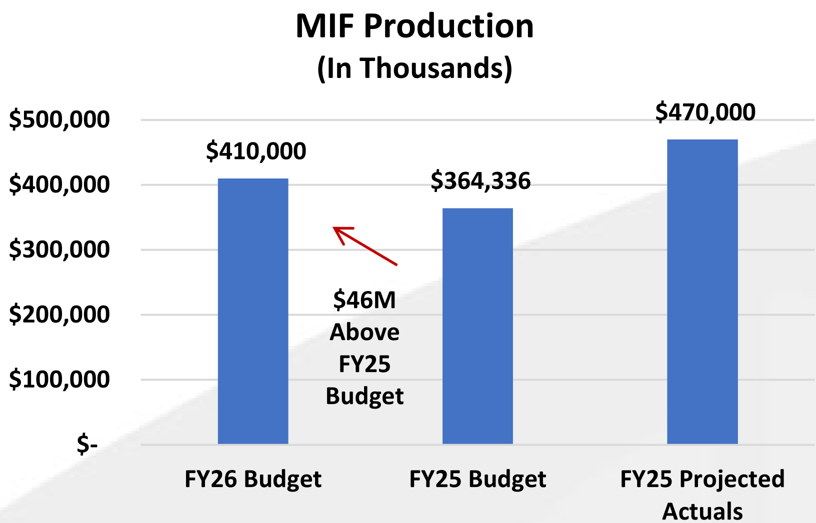
- Single-Family Lending Income is higher by $2.6M
- Single-Family Servicing Income is higher by $1.2M
- Single-Family Net Interest Spread is higher by $300K

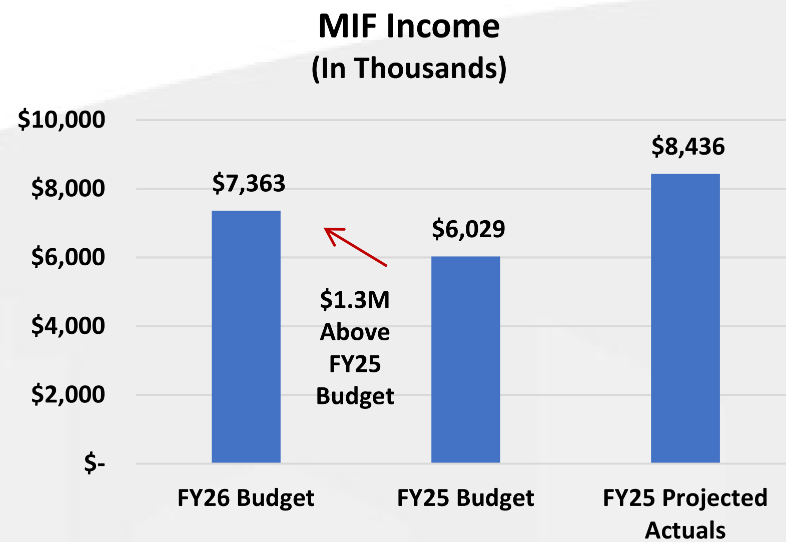
Offset by

- Servicing Rights Premium (SRP) purchased is higher by $1.0M

MassHousing

FY26 Budget Mortgage Insurance Fund (MIF)





FY26 Budget MIF Net Income is $1.3M higher than FY25 Budget

Production Drivers:

- MIF Production is higher due to the increase in SF Production

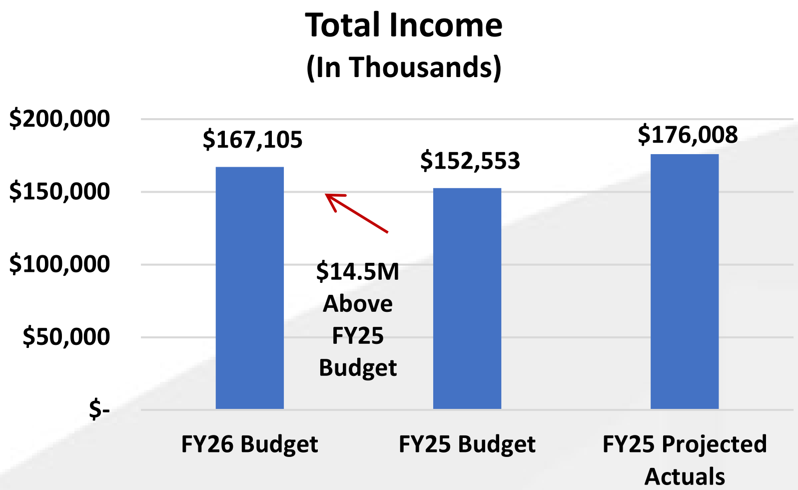
Income Drivers:

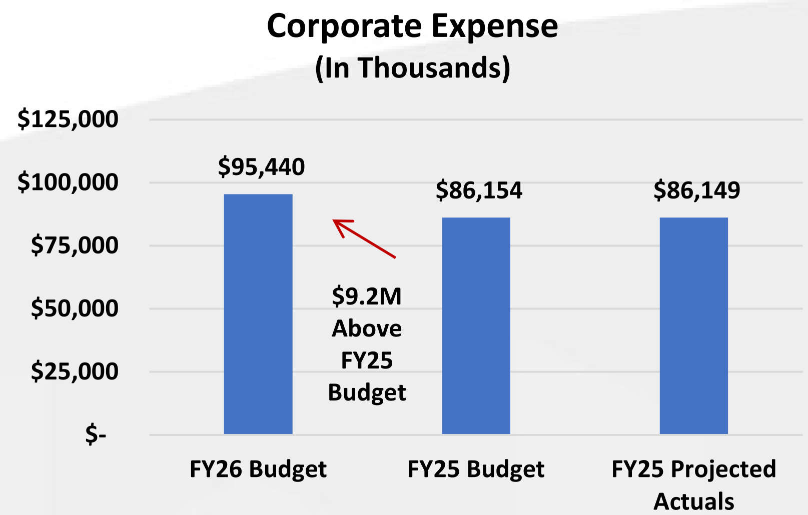
- Fee Income is higher by $940K
- Investment Income is higher by $600K

Offset by

- Paid claims is higher by $150K
- IT and Professional service costs are higher by $40K

FY26 Budget Financial Overview (excluding Grants)





FY26 Budget Net Income (excluding grants) is $5.3M higher than FY25 Budget

Income Drivers (Budgeted):

- Mission Income is higher by $10.9M
- MF & SF Lending Income is higher by $7.1M
- MF & SF Servicing Income is higher by $1.7M
- MIF Net Income is higher by $1.3M

Offset by

- Corporate Income is lower by $3.3M
- MF & SF Net Interest Spread is lower by $2.2M
- Servicing Rights Premium (SRP) purchases is higher by $1.0M

Expense Drivers (Budgeted):

- Payroll & Payroll Added Costs are higher by $4.0M
- Mission Related Expenses from the WCF are higher by $4.1M
- Professional Services are higher by $1.1M
- Leased Office Space is higher by $700K

Offset by

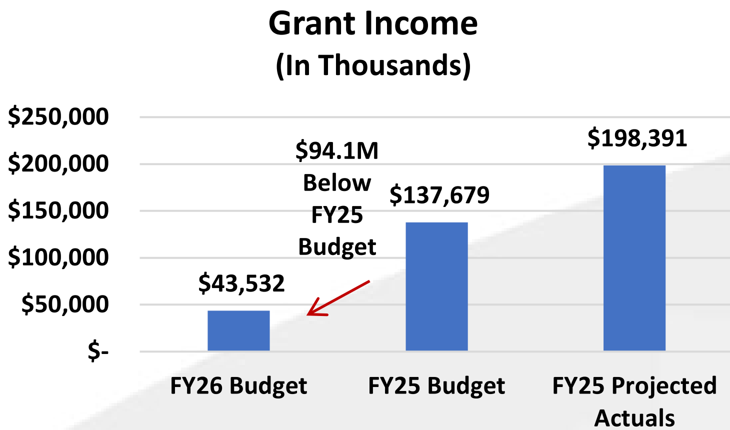
- IT Expenses are lower by $600K
- Operating Costs are lower by $100K

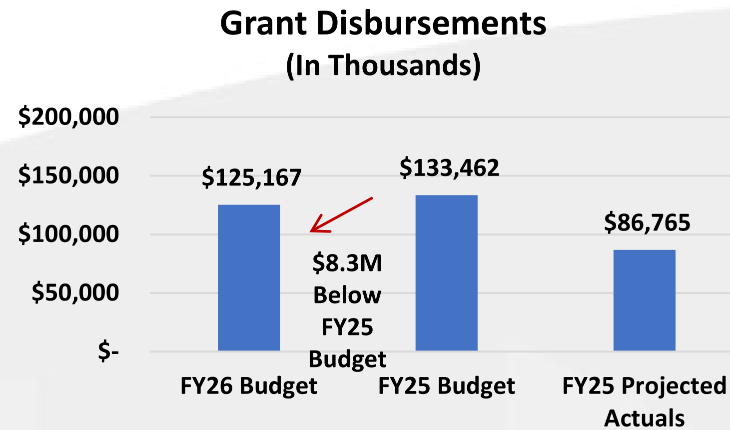
MassHousing

FY26 Budget Corporate Expenses

FY26 vs. FY25 Budget Summary (In Thousands)	FY26 Budget	FY25 Budget	FY25 Projected Actuals	FY26 vs. FY25 Budget	% of Change
Payroll and Related Personnel Expenses	$ 62,695	$ 58,709	$ 58,488	$ 3,986	6.8%
Professional Services	$ 4,840	$ 3,702	$ 3,330	$ 1,138	30.7%
Information Technology	$ 11,621	$ 12,153	$ 11,622	$ (532)	-4.4%
Leased Office Space, net	$ 5,565	$ 4,874	$ 5,052	$ 691	14.2%
Operating Costs	$ 4,905	$ 4,993	$ 4,506	$ (88)	-1.8%
Subtotal	**$ 89,626**	**$ 84,431**	**$ 82,998**	**$ 5,195**	**6.2%**
Mission Related Expenses from the WCF	$ 5,814	$ 1,723	$ 3,151	$ 4,091	237.4%
Total	**$ 95,440**	**$ 86,154**	**$ 86,149**	**$ 9,286**	**10.8%**

FY26 Budget Grant Income & Disbursements





FY26 Budget Net Grant Activity is $85.8M lower than FY25 Budget

Grant Activity:

- Total Budgeted FY26 Grant Income is $43.5M
  - CommonWealth Builder Program - $20.0M
  - Workforce Housing - $13.0M
  - Neighborhood Stabilization Program - $7.7M
  - Gateway Housing Rehabilitation Program - $2.5M

- Total Budgeted FY26 Grant Disbursements are $125.2M
  (includes disbursements of grant income received in prior fiscal years)
  - CommonWealth Builder Program - $48.7M
  - Workforce Housing - $45.2M
  - Equitable Developers Fund - $20.1M
  - Neighborhood Stabilization Program - $7.2M

FY26 Budget Net Income (Including Grant Activity)

FY26 vs. FY25 Budget Summary (In Thousands)					
	FY26 Budget	FY25 Budget	FY25 Projected Actuals	FY26 vs. FY25 Budget	% of Change
Multifamily Income	$ 112,525	$ 110,083	$ 116,039	$ 2,442	2.2%
Single-Family Income	$ 25,176	$ 22,034	$ 23,006	$ 3,142	14.3%
Mortgage Insurance Fund Income	$ 7,363	$ 6,029	$ 8,436	$ 1,334	22.1%
Mission Income - Includes Grant Activity	$ (68,592)	$ 6,350	$ 124,211	$ (74,942)	-1180.2%
Corporate Income	$ 8,998	$ 12,274	$ 15,942	$ (3,276)	-26.7%
Corporate Expenses	$ (95,440)	$ (86,154)	$ (86,149)	$ (9,286)	10.8%
Net Income (Loss)	**$ (9,970)**	**$ 70,616**	**$ 201,485**	**$ (80,586)**	**-114.1%**

FY26 Budget Net Income (Excluding Grant Activity)

FY26 vs. FY25 Budget Summary (In Thousands)					
	FY26 Budget	FY25 Budget	FY25 Projected Actuals	FY26 vs. FY25 Budget	% of Change
Multifamily Income	$ 112,525	$ 110,083	$ 116,039	$ 2,442	2.2%
Single-Family Income	$ 25,176	$ 22,034	$ 23,006	$ 3,142	14.3%
Mortgage Insurance Fund Income	$ 7,363	$ 6,029	$ 8,436	$ 1,334	22.1%
Mission Income - Excludes Grant Activity	$ 13,043	$ 2,133	$ 12,585	$ 10,910	511.5%
Corporate Income	$ 8,998	$ 12,274	$ 15,942	$ (3,276)	-26.7%
Corporate Expenses	$ (95,440)	$ (86,154)	$ (86,149)	$ (9,286)	10.8%
Net Income	**$ 71,665**	**$ 66,399**	**$ 89,859**	**$ 5,266**	**7.9%**

FY26 Budget WCF Operating Income

(In Millions)

	FY26 Budget	FY25 Budget	FY25 Projected Actuals	FY26 vs. FY25 Budget	% of Change
Working Capital Fund Operating Income	$ 3.8	$ 4.8	$ 14.0	$ (1.0)	-20.0%
Cash Transfers from Bond Programs	$ 17.4	$ 18.2	$ 18.2	$ (0.9)	-4.8%
Excess Income After Transfers from Bond Programs	$ 21.2	$ 23.0	$ 32.2	$ (1.8)	-8.0%
50% Transfer to the Opportunity Fund	**$ 10.6**	**$ 11.5**	**$ 16.1**	**$ (0.9)**	**-8.0%**

Working Capital Fund Operating Income:

- MF & SF Lending Income is higher by $7.1M
- WCF Net Interest Spread is higher by $3.8M
- MF & SF Servicing Income is higher by $1.7M
- IT & Operating Costs are lower by $700K

Offset by

- Corporate Income is lower by $3.3M
- Mission Related Expenses from the WCF are higher by $4.1M
- Payroll & Payroll Added are higher by $4.0M
- Professional Services & Leased Office Space is higher by $1.8M
- Servicing Rights Premium (SRP) purchased is higher by $1.0M

Requested Vote:

To adopt the proposed Fiscal Plan for Fiscal Year 2026 in substantially the form contained herein and as presented to the Members at their meeting held on June 10, 2025.

Appendix

A. Components of Opportunity Fund Contributions

B. FY26 Budget to FY25 Projected Actuals

C. Production and Corporate Expense Trends

D. Grants Activity Dashboard Excerpts

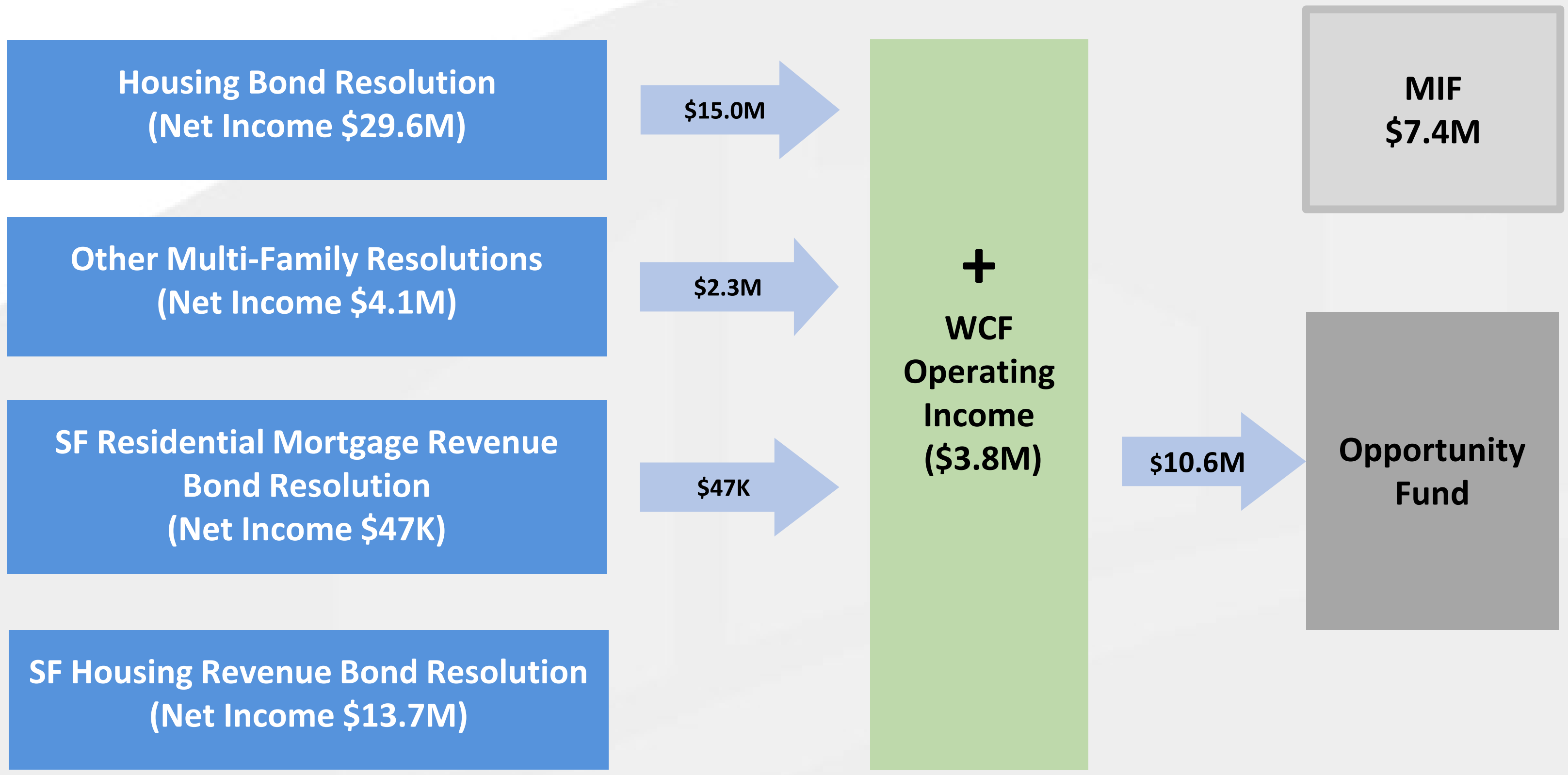
E. Additional Economic Conditions Information

Appendix A:

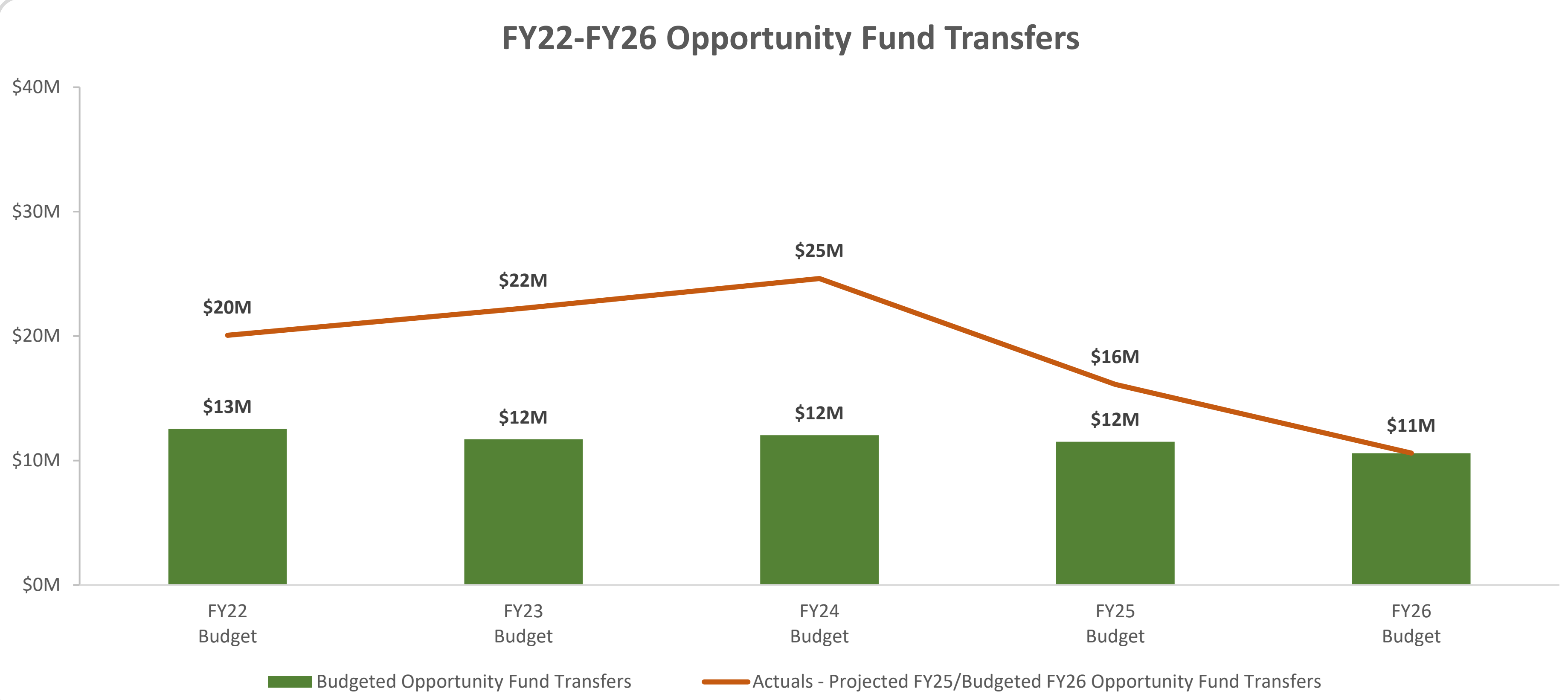
- ✓ Components of Opportunity Fund Contribution
- ✓ Opportunity Fund Transfers Budget and Actual Trends

Keys to Future Sustainability

Components with $ Transfers for FY26 Budget
& Resulting Opportunity Fund Contribution



Opportunity Fund Transfers



Appendix B:

- ✓ FY26 Budget to FY25 Projected Actuals

FY26 Budget vs. FY25 Projected Actuals

FY26 Budget vs. FY25 Projected Actuals (In Thousands)				
Production	**FY26 Budget**	**FY25 Projected Actuals**	**FY26 Budget vs. FY25 Projected Actuals**	**% of Change**
Single-Family Production	$ 500,000	$ 640,000	$ (140,000)	-21.9%
Multifamily Production	$ 760,900	$ 336,435	$ 424,465	126.2%
Total	**$ 1,260,900**	**$ 976,435**	**$ 284,465**	**29.1%**

FY26 Budget vs. FY25 Projected Actuals

FY26 Budget vs. FY25 Projected Actuals (In Thousands)				
MIF Net Income	**FY26 Budget**	**FY25 Projected Actuals**	**FY26 Budget vs. FY25 Projected Actuals**	**% of Change**
MIF Fee Income	$ 5,620	$ 5,689	$ (69)	-1.2%
MIF Investment Income	$ 4,722	$ 5,159	$ (437)	-8.5%
MIF Paid Claims	$ (859)	$ (511)	$ (348)	68.1%
MIF Expenses	$ (2,120)	$ (1,901)	$ (219)	11.5%
TOTAL	**$ 7,363**	**$ 8,436**	**$ (1,073)**	**-12.7%**

FY26 Budget vs. FY25 Projected Actuals (In Thousands)				
Grant Activity	**FY26 Budget**	**FY25 Projected Actuals**	**FY26 Budget vs. FY25 Projected Actuals**	**% of Change**
Grant Income	$ 43,532	$ 198,391	$ (154,859)	-78.1%
Grant Disbursements	$ (125,167)	$ (86,765)	$ (38,402)	44.3%
TOTAL	**$ (81,635)**	**$ 111,626**	**$ (193,261)**	**-173.1%**

FY26 Budget vs. FY25 Projected Actuals

FY26 Budget vs. FY25 Projected Actuals (In Thousands)				
Total Income	**FY26 Budget**	**FY25 Projected Actuals**	**FY26 Budget vs. FY25 Projected Actuals**	**% of Change**
Multifamily Income	$ 112,525	$ 110,083	$ 2,442	2.2%
Single-Family Income	$ 25,176	$ 22,034	$ 3,142	14.3%
MIF Income	$ 7,363	$ 6,029	$ 1,334	22.1%
Mission Income	$ 13,043	$ 2,133	$ 10,910	511.5%
Corporate Income	$ 8,998	$ 12,274	$ (3,276)	-26.7%
TOTAL	**$ 167,105**	**$ 152,553**	**$ 14,552**	**9.5%**

FY26 Budget vs. FY25 Projected Actuals

FY26 Budget vs. FY25 Projected Actuals (In Thousands)				
Corporate Expenses	**FY26 Budget**	**FY25 Projected Actuals**	**FY26 Budget vs. FY25 Projected Actuals**	**% of Change**
Payroll and Related Personnel Expenses	$ 62,695	$ 58,488	$ 4,207	7.2%
Professional Services	$ 4,840	$ 3,330	$ 1,510	45.3%
Information Technology	$ 11,621	$ 11,622	$ (1)	0.0%
Leased Office Space, net	$ 5,565	$ 5,052	$ 513	10.2%
Operating Costs	$ 4,905	$ 4,506	$ 399	8.9%
Subtotal	**$ 89,626**	**$ 82,998**	**$ 6,628**	**8.0%**
Mission Related Expenses from the WCF	$ 5,814	$ 3,151	$ 2,663	84.5%
TOTAL	**$ 95,440**	**$ 86,149**	**$ 9,291**	**10.8%**

MassHousing

FY26 Budget vs. FY25 Projected Actuals

FY26 Budget vs. FY25 Projected Actuals (In Thousands)				
Net Income (Including Grant Activity)	**FY26 Budget**	**FY25 Projected Actuals**	**FY26 Budget vs. FY25 Projected Actuals**	**% of Change**
Multifamily Income	$ 112,525	$ 116,039	$ (3,514)	-3.0%
Single-Family Income	$ 25,176	$ 23,006	$ 2,170	9.4%
Mortgage Insurance Fund Income	$ 7,363	$ 8,436	$ (1,073)	-12.7%
Mission Income (Includes Grant Activity)	$ (68,592)	$ 124,211	$ (192,803)	-155.2%
Corporate Income	$ 8,998	$ 15,942	$ (6,944)	-43.6%
Corporate Expenses	$ (95,440)	$ (86,149)	$ (9,291)	10.8%
NET INCOME (LOSS)	**$ (9,970)**	**$ 201,485**	**$ (211,455)**	**-104.9%**

MassHousing

FY26 Budget vs. FY25 Projected Actuals

FY26 Budget vs. FY25 Projected Actuals (In Thousands)				
Net Income (Excluding Grant Activity)	**FY26 Budget**	**FY25 Projected Actuals**	**FY26 Budget vs. FY25 Projected Actuals**	**% of Change**
Multifamily Income	$ 112,525	$ 116,039	$ (3,514)	-3.0%
Single-Family Income	$ 25,176	$ 23,006	$ 2,170	9.4%
Mortgage Insurance Fund Income	$ 7,363	$ 8,436	$ (1,073)	-12.7%
Mission Income (Excludes Grant Activity)	$ 13,043	$ 12,585	$ 458	3.6%
Corporate Income	$ 8,998	$ 15,942	$ (6,944)	-43.6%
Corporate Expenses	$ (95,440)	$ (86,149)	$ (9,291)	10.8%
TOTAL	**$ 71,665**	**$ 89,859**	**$ (18,194)**	**-20.2%**

MassHousing

FY26 Budget vs. FY25 Projected Actuals

FY26 Budget vs. FY25 Projected Actuals (In Millions)				
WCF Operating Income	**FY26 Budget**	**FY25 Projected Actuals**	**FY26 Budget vs. FY25 Projected Actuals**	**% of Change**
Working Capital Fund Operating Income	$ 3.8	$ 14.0	$ (10.2)	-72.6%
Cash Transfers from Bond Programs	$ 17.4	$ 18.2	$ (0.9)	-4.8%
Excess Income After Transfers from Bond Programs	$ 21.2	$ 32.2	$ (11.0)	-34.2%
50% Transfer to the Opportunity Fund	$ 10.6	$ 16.1	$ (5.5)	-34.2%

Appendix C:

- ✓ Production and Corporate Expense Trends

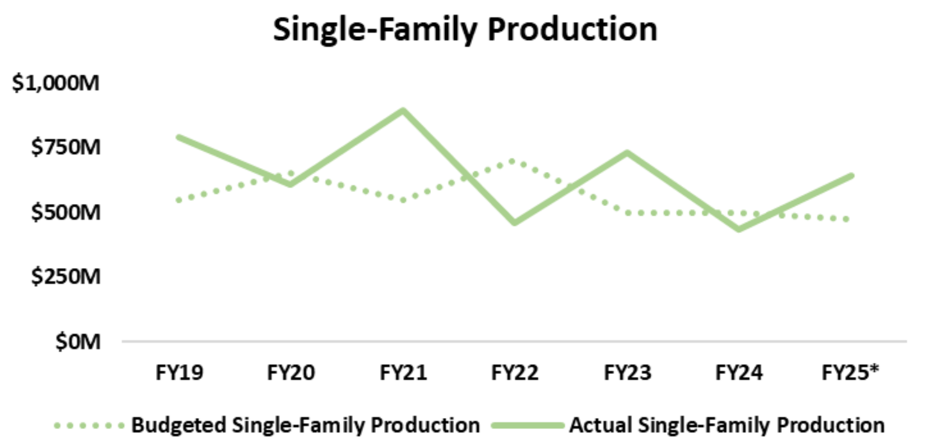
Production – Budget to Actual Trend

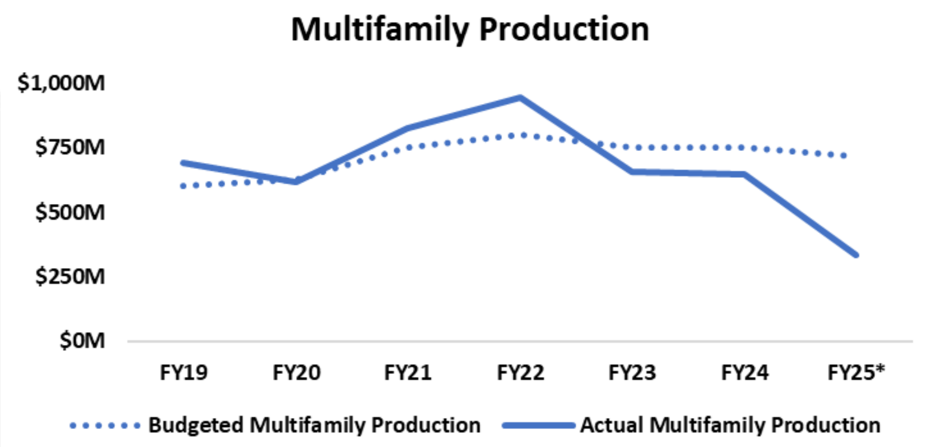
(In Millions)

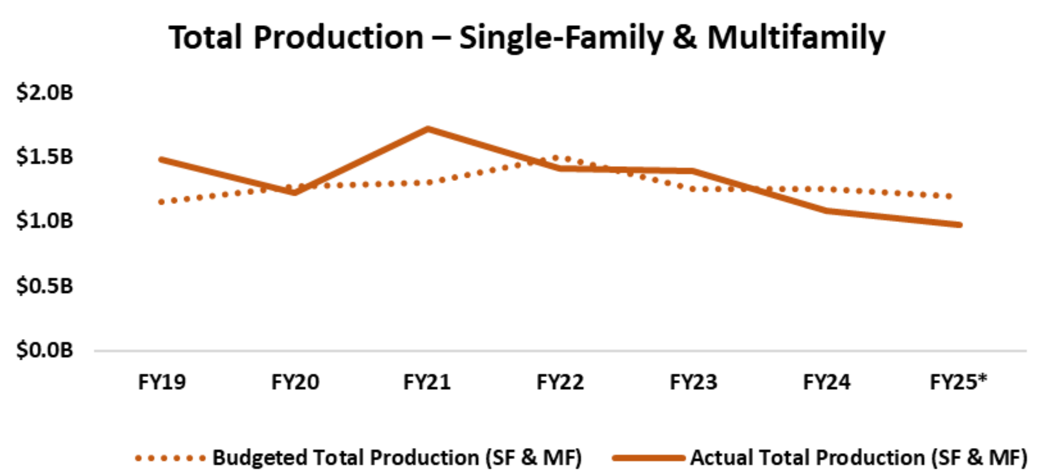
	FY19	FY20	FY21	FY22	FY23	FY24	FY25*	FY26 Budget
Budgeted Single-Family Production	$ 550	$ 650	$ 550	$ 700	$ 500	$ 500	$ 475	$ 500
Actual Single-Family Production	$ 792	$ 607	$ 894	$ 461	$ 729	$ 433	$ 640	$ -
Variance Actual vs. Budget	$ 242	$ (43)	$ 344	$ (239)	$ 229	$ (67)	$ 165	$ -
Budgeted Multifamily Production	$ 600	$ 625	$ 750	$ 800	$ 750	$ 750	$ 715	$ 761
Actual Multifamily Production	$ 689	$ 619	$ 823	$ 945	$ 658	$ 648	$ 336	$ -
Variance Actual vs. Budget	$ 89	$ (6)	$ 73	$ 145	$ (92)	$ (102)	$ (379)	$ -
Budgeted Total Production (SF & MF)	$ 1,150	$ 1,275	$ 1,300	$ 1,500	$ 1,250	$ 1,250	$ 1,190	$ 1,261
Actual Total Production (SF & MF)	$ 1,481	$ 1,226	$ 1,717	$ 1,406	$ 1,387	$ 1,081	$ 976	$ -
Variance Actual vs. Budget	**$ 331**	**$ (49)**	**$ 417**	**$ (94)**	**$ 137**	**$ (169)**	**$ (214)**	**$ -**

Note: Actual Production for FY25 represents our current projection.

Production – Budget to Actual Trend

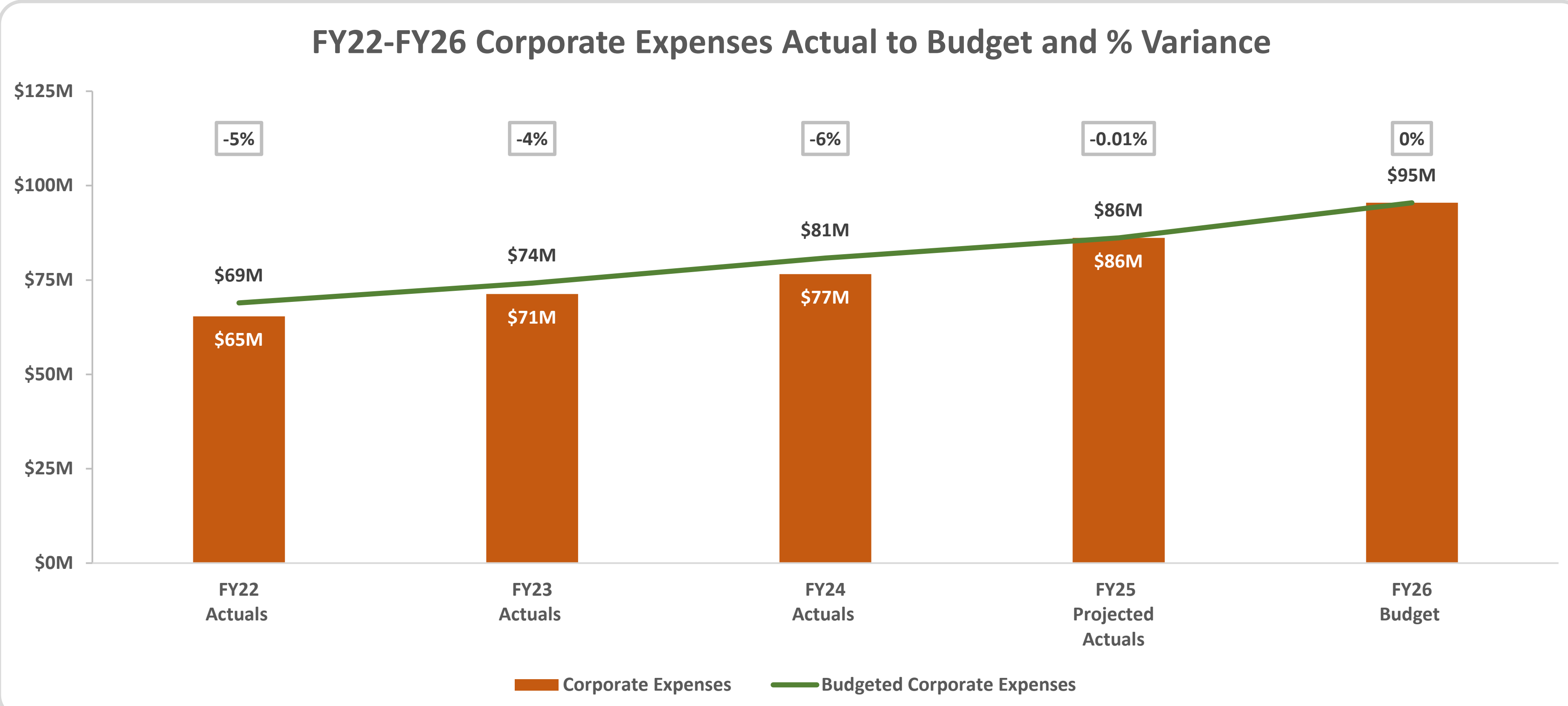






Note: FY25 "Actual" totals are Year-End Projections

Corporate Expenses



Appendix D:

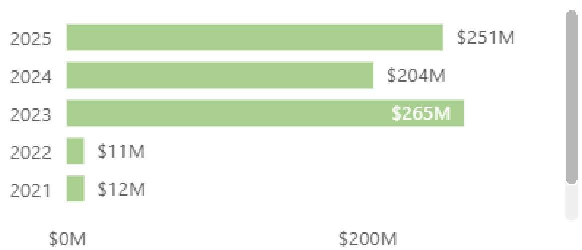
- ✓ Grants Activity Dashboard Excerpts

Grant Programs Summary as of 5/31/2025

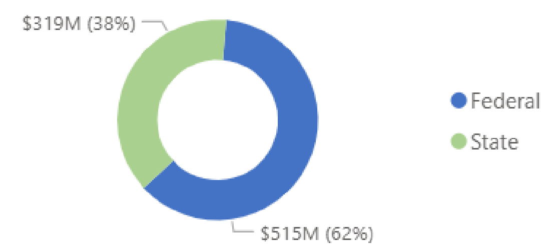
Number of Grant Programs	Total Amount Received	Total Amount Disbursed
23	$833M	$447M

Total Received of Gross Award Amount

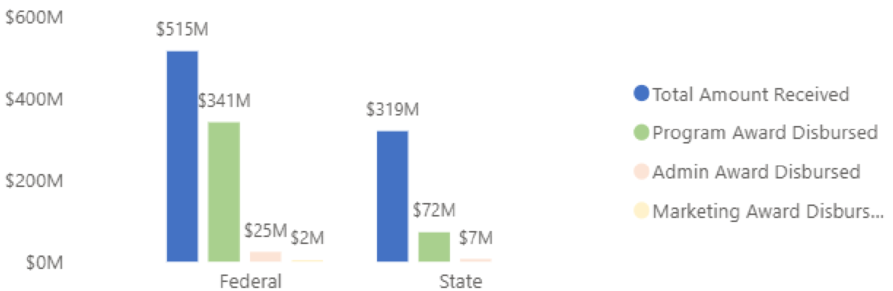
Amount Received by Fiscal Year



Amount Received by Funding Source



Amount Received and Disbursed by Funding Source



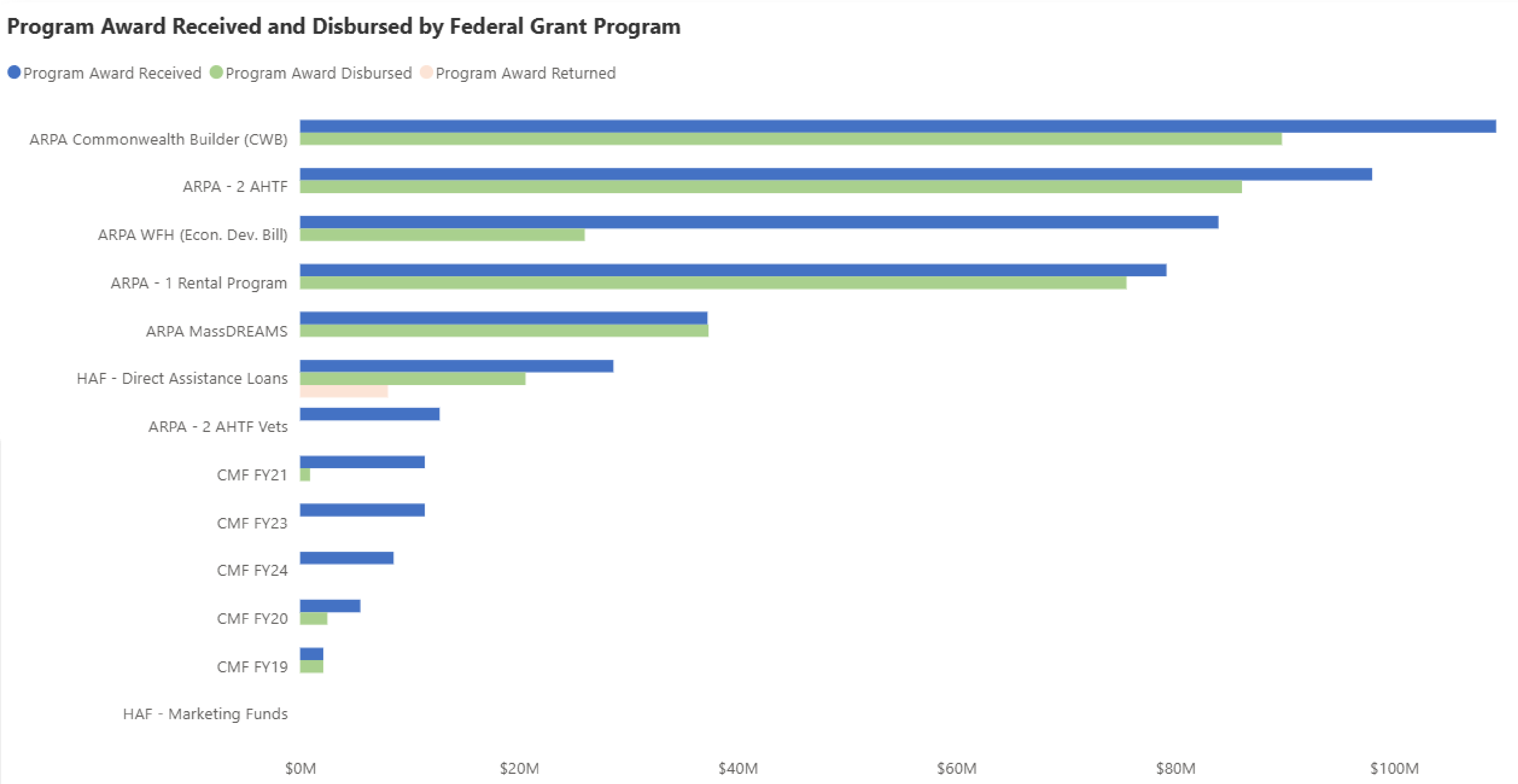
Top 5 Award Amounts Received by Program

(Includes Program, Administration, and Marketing)

Program	Federal	State
ARPA CWB	$115,000,000	
ARPA-2 AHTF	$100,000,000	
ARPA-1 Rental	$87,100,000	
Commonwealth Builder		$86,200,000
ARPA WFH	$86,000,000	
Total	**$388,100,000**	**$86,200,000**

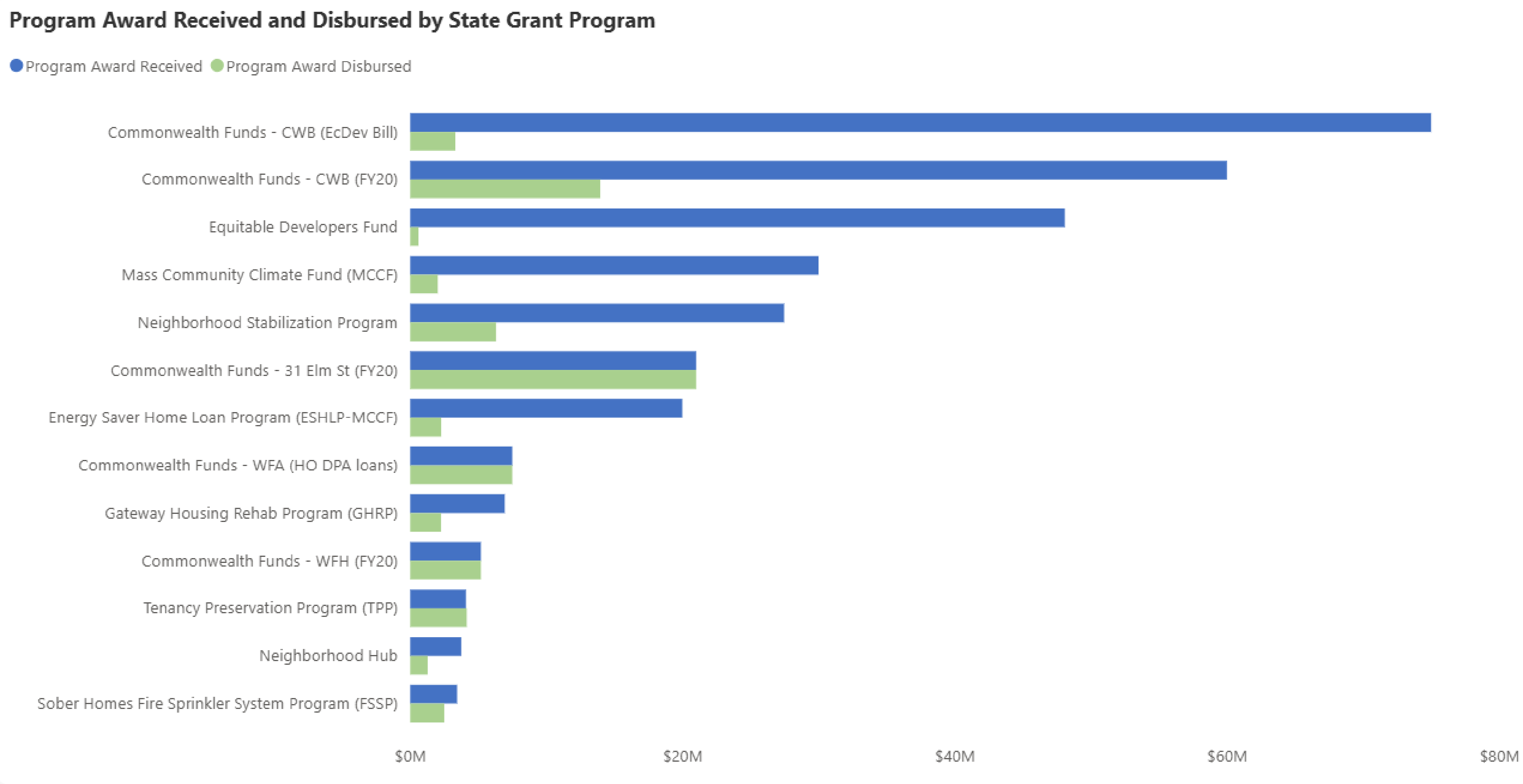
Note: ARPA-1 Rental is a conduit grant therefore the Grant Income and Expense does not run through the Agency's books and records. The ARPA-2 AHTF grant is recorded in AHTF, a separate legal entity. MassHousing receives fees to administer these grants.

Federal Grant Program Award and Disbursement as of 5/31/2025



Note: ARPA-1 Rental is a conduit grant therefore the Grant Income and Expense does not run through the Agency's books and records. The ARPA-2 AHTF grant is recorded in AHTF, a separate legal entity. MassHousing receives fees to administer these grants.

State Grant Program Award and Disbursement as of 5/31/2025

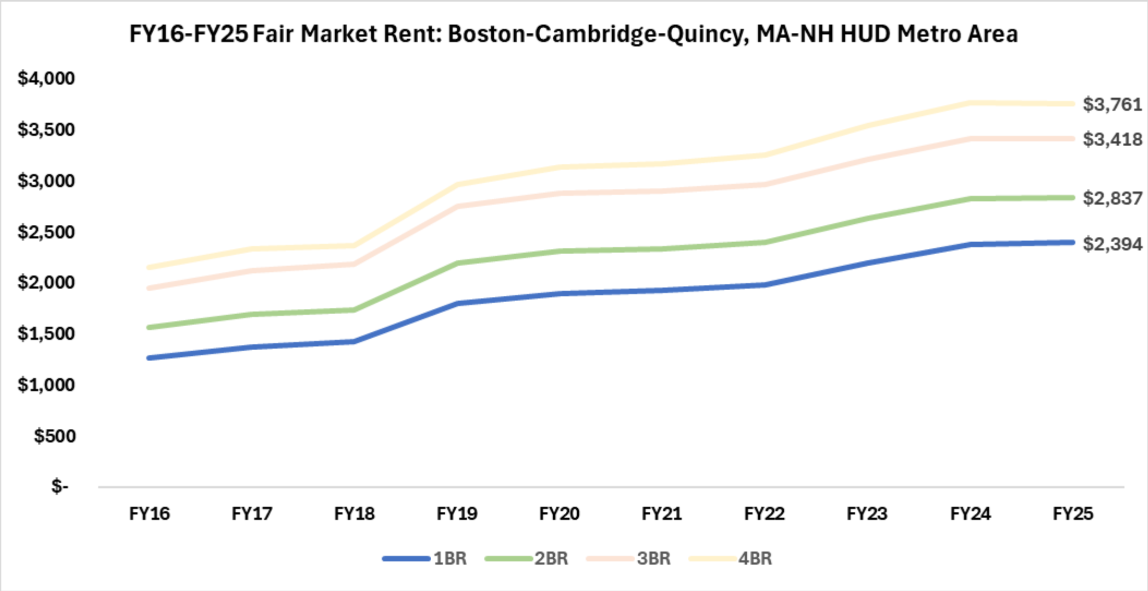


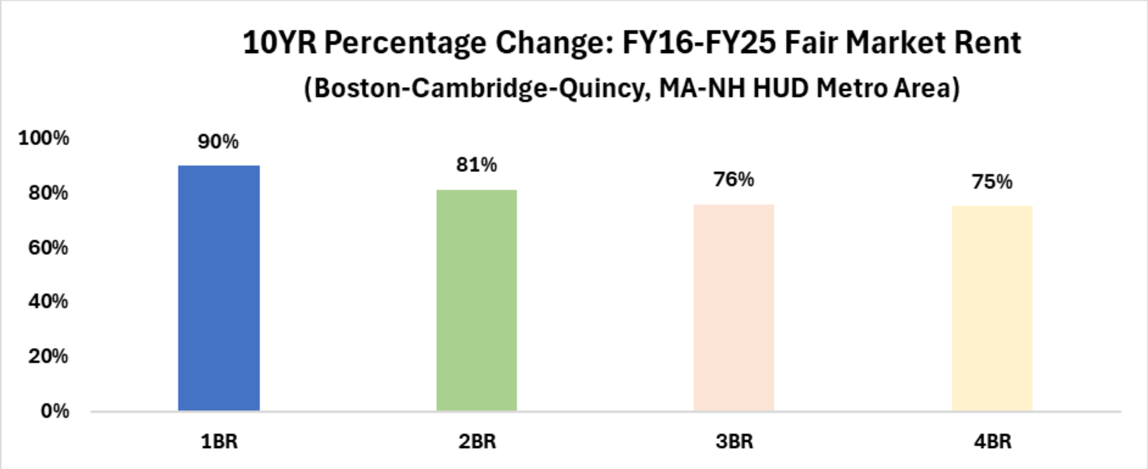
Note: The Energy Saver Home Loan Program is a subset of the Mass Community Climate Fund.

Appendix E:

✓ Additional Market and Economic Conditions Background Information

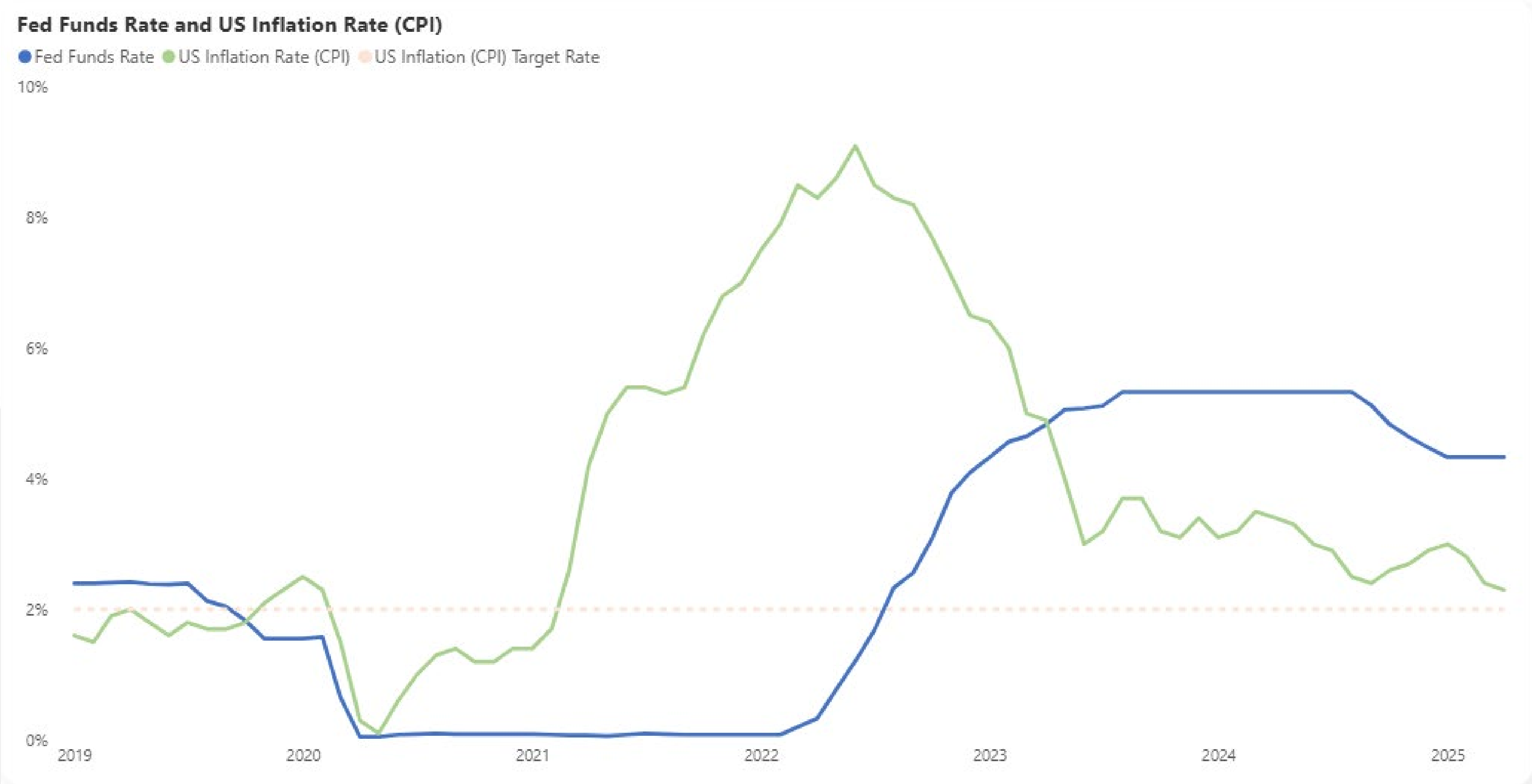
Additional Data for Informational Purposes Only





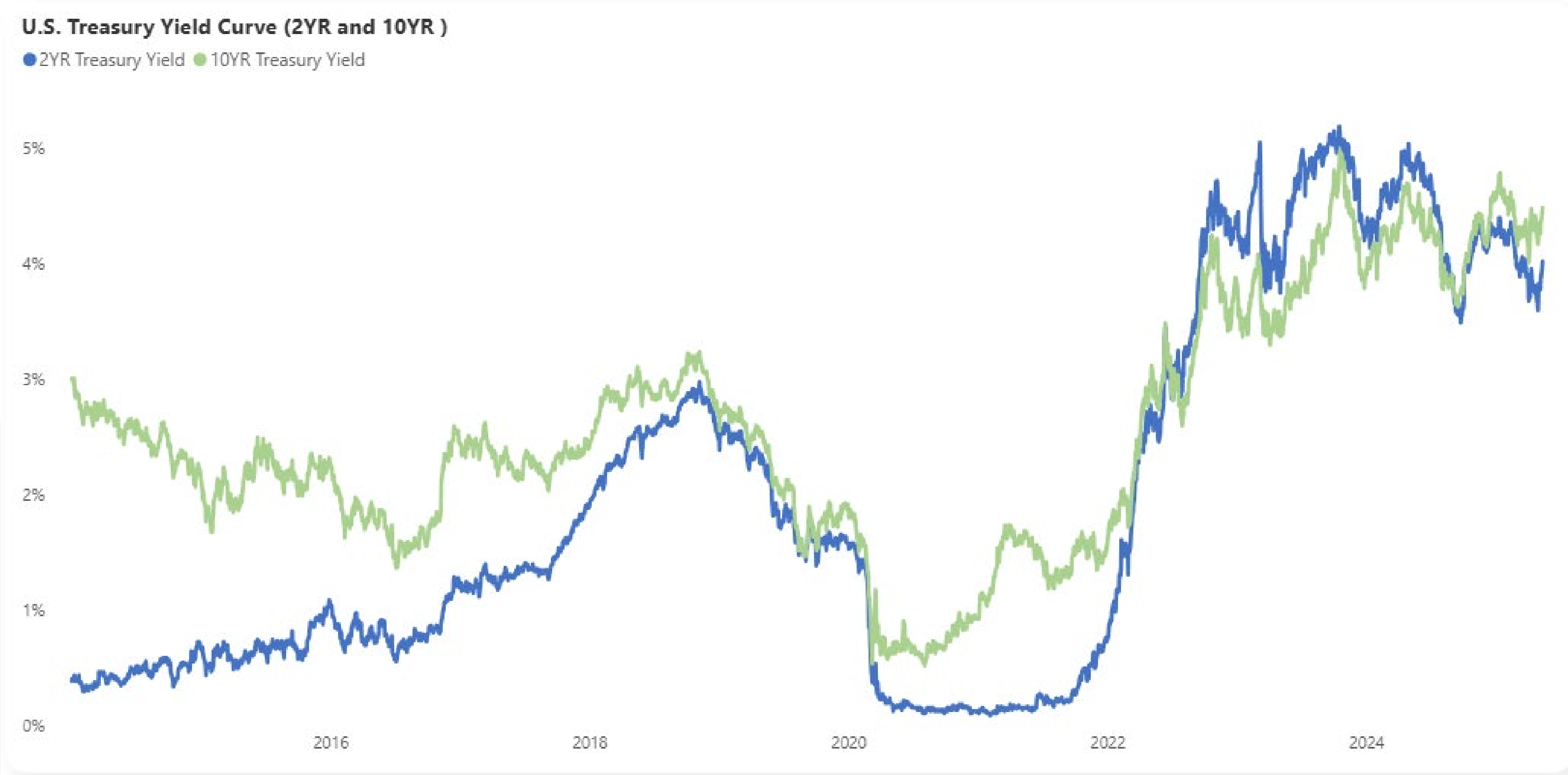
Source: Fair Market Rents. (2025). U.S. Department of Housing and Urban Development. Retrieved from https://www.huduser.gov/portal/datasets/fmr.html#query_2025.

Additional Data for Informational Purposes Only



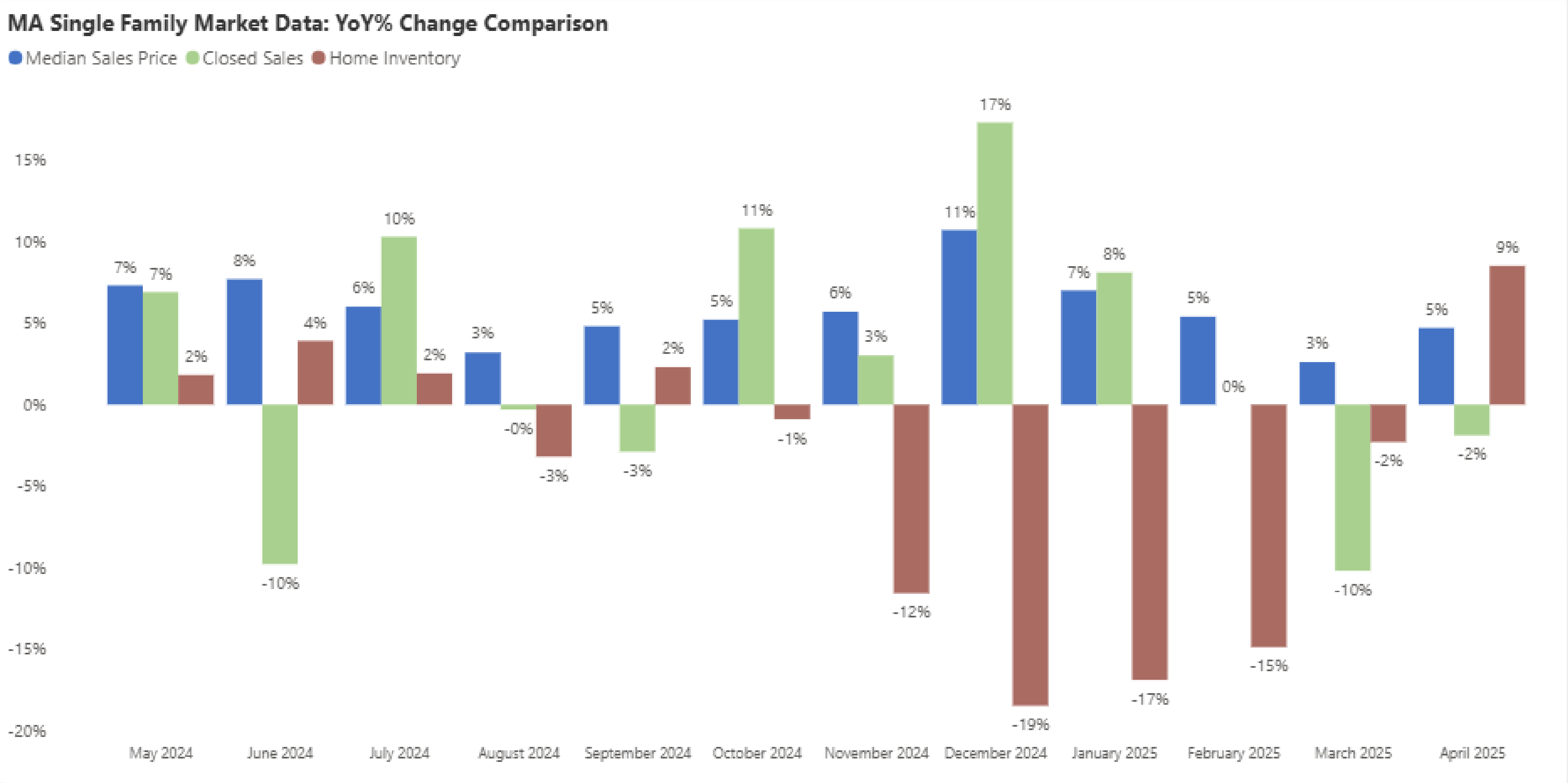
Source: U.S. Bureau of Labor Statistics: All items in U.S. city average, all urban consumers, not seasonally adjusted.; Board of Governors of the Federal Reserve System (US), Federal Funds Effective Rate [FEDFUNDS], retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/FEDFUNDS.

Additional Data for Informational Purposes Only



Source: U.S. Treasury Securities at 2-Year Constant Maturity, retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/DGS2; U.S. Treasury Securities at 10-Year Constant Maturity, retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/DGS10.

Additional Data for Informational Purposes Only



Source: All data from the Berkshire County Multiple Listing Service, Cape Cod & Islands Association of REALTORS®, Inc. and MLS Property Information Network, Inc. Provided by MAR.

<u>**MEMORANDUM**</u>

TO: **Agency Members**

FROM: **Colin M. McNiece, Chief Legal & Operating Officer**

SUBJECT: **Retirement System – M.G.L. Ch.32 Section 103**

DATE: **June 10, 2025**

The Massachusetts Housing Finance Agency Employees' Retirement Board (the "Retirement Board") requests acceptance by the MassHousing Board (the "Board"), its legislative body under M.G.L. Ch.32 §103, of its recommendation to increase the maximum base for which its retirees can receive a cost-of-living allowance (COLA) as further described in the attached memorandum.

If the Board desires to accept such recommendation, the following vote is offered for consideration

VOTED: That the Massachusetts Housing Finance Agency hereby accepts the provisions of M.G.L. c. 32 § 103(j), as recommended to it by the Board of the Massachusetts Housing Finance Agency Employees' Retirement System, in the attached memorandum, with an effective date of July 1, 2025.

Massachusetts Housing Finance Agency
Employees' Retirement Board
One Beacon Street
Boston, MA 02108
617. 854.1871, 1123

Michael Fitzmaurice, Chairman **Paul T. Hynes, Appointed Member**
Antonio Torres, Elected Member **Thomas Flynn, Appointed**
Member Rachel Madden, Ex-Officio **Joseph M. Petty, Executive**
Secretary

To: Colin McNiece, General Counsel
From: Joseph M. Petty, Executive Secretary
Re: COLA Base Increase
Date: June 10, 2025

At the May 13, 2025, MHFA Employees' Retirement Board meeting, it was voted unanimously to decrease the discount rate from 7% to 6. 75%. It was also voted to increase the maximum base of which its retirees can receive a cost-of-living allowance (COLA) under M.G.L. c. 32sec 103(j) as follows:

1. To increase the COLA base from $18,000 to $20,000 effective July 1, 2025.
2. To increase the COLA base from $20,000 to $21,000 effective July 1, 2026.

The maximum COLA that can be granted in any year is 3% which means that the maximum COLA for our retirees would increase from $540.00 a year to $600.00 a year if the Board of MassHousing approves the new $20,000.00 maximum base effective July 1, 2025. Then effective July 1, 2026, the increase would go from $600.00 per year to $630.00 per year with a base of $21,000.00.

The Retirement Board's actuary has estimated that raising the maximum COLA base to $21,000.00 would increase the actuarial accrued liability of the MHFA Employees' Retirement System by approximately 0.74% compared to the existing $18,000 Base. The annual contribution rate will increase by 4.5% over the next three years, an increase of 0.25% compared to the 4.25% increases which would have been needed to fund the liability in three years for the $18,000. This increased the FY2026 contribution by approximately $12,000.

The reduction in discount rate to 6.75% increased the liability by $6.8 million, or 2.60%, which extended the funding schedule by two years.

MHFA Retirement Board

January 1, 2025 Actuarial Valuation

COLA Increase

stoneconsulting,inc

5 West Mill Street, Suite 4
Medfield, MA 02052
Jmoreau@stoneconsult.com
Cedgar@stoneconsult.com

1

Overview

- COLA Base
  - Currently $18,000
  - Alternate: increase to $20,000 for one year, $21,000 thereafter
  - Previous scenario: increase to $19,000 for one year, $20,000 for one year, $21,000 thereafter
  - Increased liability by $2.0 million compared to $18,000 COLA Base
  - Increased liability by $108 thousand compared to previous scenario
- 6.75% Discount rate

Funding Results

- Expected appropriation from 2023 valuation: $4,842,973
- Previous COLA scenario: 4 year schedule
  - 4.25% contribution increases
  - FY26 appropriation: $4,987,180
- New COLA scenario
  - 4.50% appropriation increases required in order to complete funding in four years
  - 4.50% increase: $4,999,140
  - $156 thousand increase compared to expected from 2023 (3.2%)
  - $12 thousand increase compared to previous COLA scenario (0.25%)

MASSACHUSETTS HOUSING FINANCE AGENCY RETIREMENT SYSTEM

FUNDING SCHEDULE with 3(8)(C) - 4 years, 4.50% increases

6.75% Discount Rate; $21,000 COLA Base

Fiscal Year	Normal Cost	Unfunded Liability	Funding Amortization of UAAL	Net 3(8)(c) Payments	Schedule Contribution*	Adjusted Payments	% Change
2026	2,036,645	13,985,032	3,636,917	(674,422)	4,999,140	4,999,140	4.50%
2027	2,118,111	11,046,613	3,780,413	(674,422)	5,224,101	5,224,101	4.50%
2028	2,202,835	7,756,669	3,930,773	(674,422)	5,459,186	5,459,186	4.50%
2029	2,290,949	4,084,144	4,084,144	(674,422)	5,700,670	5,700,670	4.42%
2030	2,382,587	-	-	(674,422)	1,708,164	1,708,164	-70.04%

Amortization of Unfunded Liability as of July 1, 2025

Year	Type	Original Amort. Amount	Percentage Increasing	Original # of Years	Current Amort. Amount	Years Remaining
2026	Fresh Start	N/A	N/A	4	N/A	4

MASSACHUSETTS HOUSING FINANCE AGENCY RETIREMENT SYSTEM

VALUATION RESULTS AS OF JANUARY 1, 2025

6.75% Discount Rate; $21,000 COLA Base

A. Member Data as of January 1, 2025

		Current Valuation January 1, 2025	Prior Valuation January 1, 2023	Percent Change
1.	Active Members			
a.	Number	347	316	9.81%
b.	Annual Compensation	$ 45,041,144	$ 36,887,015	22.11%
c.	Average Annual Compensation	129,802	116,731	11.20%
d.	Average Attained Age	49.8	50.3	-0.98%
e.	Average Past Service	13.7	14.6	-6.30%
2.	Retired Members and Beneficiaries			
a.	Number	225	210	7.14%
b.	Total Annual Retirement Allowance excluding reimbursable COLA	$ 12,233,614	$ 10,990,532	11.31%
c.	Average Annual Retirement Allowance	$ 54,372	$ 52,336	3.89%
d.	Average Attained Age	73.4	72.5	1.30%
3.	Inactive Members			
a.	Number	59	63	-6.35%

B. Actuarial Components

		Current Valuation	Prior Valuation	Percent Change
1.	Normal Cost			
a.	Total Normal Cost as of January 1, 2025	$ 5,746,978	$ 4,350,672	32.09%
b.	Less Expected Members' Contributions	4,483,876	3,627,083	23.62%
c.	Normal Cost to be funded by the Employer	$ 1,263,102	$ 723,589	74.56%
d.	Adjustment to July 1, 2025	25,014	14,330	74.56%
e.	Administrative expense assumption	748,528	682,922	9.61%
f.	Normal Cost Adjusted to July 1, 2025	$ 2,036,645	$ 1,420,840	43.34%
2.	Actuarial Accrued Liability as of January 1, 2025			
a.	Active Members	$ 137,680,257	$ 116,493,478	18.19%
b.	Inactive Members	4,606,401	4,495,258	2.47%
c.	Retired Members and Beneficiaries	128,513,433	114,676,581	12.07%
d.	Total	$ 270,800,091	$ 235,665,317	14.91%
3.	Unfunded Actuarial Accrued Liability			
a.	Actuarial Accrued Liability as of January 1, 2025	$ 270,800,091	$ 235,665,317	14.91%
b.	Less Actuarial Value of Assets as of January 1, 2025	257,895,980	219,758,813	17.35%
c.	Unfunded Actuarial Accrued Liability	$ 12,904,112	$ 15,906,504	-18.88%
d.	Adjustment to July 1, 2025	1,080,920	921,555	
e.	Unfunded Actuarial Accrued Liability as of July 1, 2025	$ 13,985,032	$ 16,828,059	

Loan Commitment Proposal | June 10, 2025

55 Hudson Rental

1. General Project Information	
Project Name	55 Hudson Rental
Project ID	24-104
Associated Projects	55 Hudson Homeownership
Address(es)	55 Hudson Street, Boston (Chinatown), MA 02111
Sponsor	Asian Community Development Corporation
Transaction Type	Production (4%)
Funding Type	Conduit Drawdown – Private Placement
Execution Type	Conduit (Tax-Exempt)
Credit Enhancement	None
Approval Type	Board
Total Rental Units	66
Affordability Mix	66 Affordable

2. Recommended Actions

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

55 Hudson Rental (the "Development" or the "Rental Condo") is a proposed 66-unit affordable housing community in Boston's Chinatown neighborhood. The Development will be one condominium within a single high-rise building that also includes 55 Hudson Homeownership (the "Homeownership Condo") and a new Chinatown Branch of the Boston Public Library (the "Library Condo" or "55 Hudson BPL").

In 2021, the Boston Planning and Development Agency (the "BPDA") released a request for proposals ("RFP") for the redevelopment of 55 Hudson (formerly known as Parcel R-1), which consists of 14 contiguous parcels totaling just over 18,900 square feet of vacant land (the "Site"). Asian Community Development Corporation (the "Sponsor" or "ACDC") was the successful respondent to the RFP. The Sponsor's proposal was consistent with a 2018 community visioning exercise and a 2020 Chinatown Master Plan, both of which highlighted the need for affordable housing and community and cultural resources.

3. MassHousing Financing	
Conduit Loan	
Type	Short-Term Tax-Exempt Conduit Loan
Loan Amount	$22,680,000
Loan Term / Amortization	36 mo / interest only
Conduit Loan	
Type	Long-Term Tax-Exempt Conduit Loan
Loan Amount	$8,210,000
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 Site is located in the Chinatown neighborhood of Boston and is currently used as a surface parking lot. Surrounding uses include a 14-story office building, a mid-rise office and medical building, row houses, and One Greenway, a high-rise residential apartment and condominium community developed by a joint venture of ACDC and New Boston Fund. The Site is within easy walking distance to multiple MBTA stations, including South Station and Chinatown, and is near the Kneeland Street commercial corridor, Tufts Medical Center, and Routes 90 and 93.

Description of Existing or Proposed Building. The Development will create 66 affordable units within the larger 55 Hudson building. Amenities available for the exclusive use of residents of the Development include a children's playroom and a laundry room. A community space and bike storage areas will have shared use between the Rental Condo and the Homeownership Condo. Floors one and two of the 55 Hudson building will house a new, permanent location of the Chinatown Branch of the Boston Public Library. The Development will include amenity space on floors one and two, and rental units on floors three through eight. Floors nine through twelve will have 44 homeownership units. The steel frame masonry structure will be built to LEED Gold standard.

Description of Affordability Mix. All 66 units will be subject to income restrictions with set-asides ranging from 30% of Area Median Income ("AMI") to 80% of AMI.

Fourteen (14) units will benefit from project-based rental assistance, including eight (8) project-based Section 8 units and six (6) project-based MRVP units. The remaining 52 units will be tax credit units restricted at 50%, 60%, and 80% of AMI.

Site Control. The Sponsor has site control through a developer designation by the BPDA. The BPDA awarded Final Designation status to ACDC on April 10, 2025, with an expiration date of October 31, 2025. At initial construction closing, an affiliate of the Sponsor will enter into a 99-year ground lease with the BPDA, will declare the primary condominium with three units, and will convey the Rental Condo to the Rental Condo's borrower entity.

5. Borrower Team

Mortgagor Entity: ACDC 55 Hudson Rental LLC

ACDC 55 Hudson Rental LLC is a single-asset, sole purpose limited liability company formed for the purposes of owning and operating the Development.

Developer / Sponsor: Asian Community Development Corporation

Founded in 1987 to respond to the growing needs of Boston's Chinatown, Asian Community Development Corporation has expanded its reach to include Asian American communities elsewhere in greater Boston, most notably Quincy and Malden. In addition to developing affordable housing, ACDC programs focus on community planning, civic engagement, youth leadership, and financial education.

ACDC has participated in the construction and rehabilitation of five affordable housing developments, two of which, Oak Terrace and The Metropolitan, are in MassHousing's loan portfolio. Of the five projects completed, The Metropolitan and One Greenway are mixed-use and mixed-tenure communities with condominium structures in which ACDC was a joint venture partner with a co-developer. 55 Hudson will be the first such development ACDC completes independently. ACDC has assembled an experienced team, including an affordable housing consultant (please see Consultant description below).

General Partner / Managing Member: ACDC 55 Hudson Rental MM LLC

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 multifamily real estate 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. First Citizens is the construction lender on West Newton Armory.

Permanent Lender: Massachusetts Housing Partnership

Massachusetts Housing Partnership ("MHP" or "Commercial Lender") 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 2024 and West Newton Armory, a conduit transaction that closed in May 2025.

Consultant: Peter Munkenbeck

Since 1997, Peter Munkenbeck ("Munkenbeck") has been a consultant, primarily to nonprofit affordable housing developers. During that time, Munkenbeck has been involved in the development and financing of 50 multifamily properties with over 6,000 units on behalf of more than 20 community development corporations in and near Boston. In recent years, he has assisted developers on increasingly complex transactions, many of them redevelopment efforts in response to City of Boston RFPs. In his consultant role on 55 Hudson, Munkenbeck is assisting and advising the Sponsor at all stages of the development, from local permitting to financial structuring, closing, and preparation of construction requisitions. Munkenbeck worked as a development consultant with ACDC on The Metropolitan and is also advising other nonprofits in several deals in the Agency's pipeline.

Syndicator / Investor: RBC Community Investments

RBC Community Investments is a leading syndicator of LIHTC, Workforce/Impact Housing, Renewable Energy Tax Credits, Historic Tax Credits, and State Tax Credits. As of December 2021, their team closed over $12.8 billion in equity through 126 active funds with 95 institutional investors and 1,067 affordable housing tax credit assets under administration. Recent MassHousing deals on which RBC Community Investments was the syndicator include Bartlett Station F5 and 52 New Street.

Management Company: Maloney Properties, LLC

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: Stantec Architecture, Inc.

Stantec Inc. is an international professional services company in the design and consulting industry. The company was founded in 1954, as D. R. Stanley Associates in Edmonton, Alberta, Canada. Stantec provides professional consulting services in planning, engineering, architecture, interior design, landscape architecture, surveying, environmental sciences, project management, and project economics for infrastructure and facilities projects. The company provides services on projects around the world, with over 26,000 employees operating out of more than 400 locations in North America and across offices on six continents. Stantec was the architect on 117 Union Street and Bunker Hill Building M, two Agency-financed deals that are nearing construction completion.

General Contractor: Consigli Construction Company, Inc.

Consigli is one of the largest employee-owned construction managers in the Northeast and Mid-Atlantic. Staffed by more than 1,600 employees, with ten regional offices across the east coast from Maine to DC, and upward of $2.3 billion in annual volume, Consigli has expanded its roots, while maintaining its core competencies with more than 650 skilled carpenters, laborers, and masons on staff. In recent years, Consigli has been the general contractor on Clifton Place and the first phase of the Mildred Hailey redevelopment.

6. Summary of MassHousing-Sponsor Relationship			
	Recorded	*Committed*	*Total*
Number of Projects with MassHousing Debt	2	0	2
Total Units with MassHousing Debt	169	0	169
Outstanding MassHousing Principal Debt	$21,935,216*	$0	$21,935,216*
Number of Projects with MassHousing Conduit Financing	0		
MassHousing Conduit Loans are Compliant with Program Rules	N/A		
Adverse Actions Against the Borrower Team	No		
Current on Obligations with MassHousing	Yes		
Property Management Affiliate	No		

** This amount includes the total outstanding principal balance on The Metropolitan, a mixed-tenure and mixed-use condominium development including affordable rental, commercial, 81 market rate condominiums, and a parking garage. ACDC is a co-owner and is responsible for the debt service on the affordable rental and commercial condominiums only.*

MassHousing Staff	
Origination	Sarah Hall, Originator Patrick Schrantz, Analyst
Underwriting	Emily Loomis, Underwriter Dan Staring, Analyst
Asset Management	Tina Attachi, Portfolio Manager Kosal Saren, Asset Manager

7. Unit Mix

		LIHTC Eligible									
Unit Size	Total Units	30% of AMI PB-Section 8*		30% of AMI PB-MRVP		50% of AMI*		60% of AMI*		80% of AMI*	
		Count	*Rent*	*Count*	*Rent*	*Count*	*Rent*	*Count*	*Rent*	*Count*	*Rent*
1 BR	24	3	$2,499	2	$2,394	4	$1,252	8	$1,546	7	$2,135
2 BR	36	4	$2,962	3	$2,837	3	$1,459	19	$1,813	7	$2,520
3 BR	6	1	$3,583	1	$3,418	2	$1,627	2	$2,036		
Total	**66**	**8**		**6**		**9**		**29**		**14**	

*Rents are net of utility allowances.

Project-Based Rental Subsidy	
Type	Section 8
Term	20 y
Administrator	MetroHousing Boston
Type	MRVP
Term	15 y
Administrator	Metro Housing Boston

8. Operating Overview

Underwritten Operating Expenses	$932,000 (approximately $14,100 per unit)

Basis of Operating Costs. Operating expense assumptions were based on the Sponsor's proposed budget and supporting documentation. While the per unit operating expenses are within the Agency's portfolio range of $11,000 to $15,000, a few elements of the operating expenses are worth describing in greater detail:

- Resident Services: Resident Services expenses are $1,200 per unit. These Services will be coordinated between Maloney Properties and ACDC, with the involvement of a part-time ACDC Community Building Associate. Planned offerings include support services, arts and cultural opportunities, computer learning, youth enrichment, parenting support, and job skills and training.
- Replacement Reserves: Annual deposits to replacement reserves are underwritten at $750 per unit per year. This level of reserve funding was a Sponsor-proposed increase to ensure the Development can support any future capital needs.
- Condominium Fees: Approximately $145,000 annually to cover the Development's share of the overall condominium budget for maintenance and grounds, janitorial, fire and safety, snow removal, insurance, and reserves, among other expenses that will be shared by all three condominium units. Certain other expenses will be allocated between the two residential condominiums, including elevator maintenance and utilities.

9. Project Costs

Core Residential Costs	
Base	$37,154,679
Extraordinary	$16,144,974
Total	$53,299,652
Commercial, Site and Other Non-Residential Costs	
Commercial Costs	
Site and Other Non-Residential Costs	$8,127,827
Total	$8,127,827
Total Development Cost	
Total	$61,427,479

Project Construction Costs	
Total Construction Cost	$45,682,257
Construction per Square Foot	$713

Background on Extraordinary Residential Costs. Extraordinary residential costs are largely attributable to the challenges and constraints associated with high-rise construction on a very tight site. The twelve-story steel-frame building will have reinforced concrete walls, columns, and slabs, and will require a deep foundation system. This approach to construction requires temporary hoists and other specialty equipment to navigate the small site, protect utilities, and avoid disturbances to the surrounding area.

In addition, the construction budget reflects increases in labor and material costs due to ongoing shortages and supply chain challenges.

Background on Commercial, Site and Other Non-Residential Costs. Non-residential costs associated with the construction of the Boston Public Library branch are not carried on this budget. However, the Development's budget does include non-residential costs associated with soil removal and preparation and design features related to Coastal Flood Resilience Overlay ("CFROD") requirements.

As noted below in Section 12 of this proposal, contaminated soils must be removed from the Site. The remaining soil then must be prepared to accommodate end-bearing piles that will be nearly 100 feet long for the deep foundation system. The Site's location in a CFROD contributes to increased costs because additional lifts, stairs, and concrete will be used to ensure the construction meets CFROD requirements.

10. Sources and Uses

Sources of Funds	Total
MHP Permanent Loan	$8,210,000
Federal LIHTC Equity	$29,095,131
State LIHTC Equity	$14,933,049
EOHLC - AHTF	$2,000,000
EOHLC - HSF	$1,000,000
EOHLC – TOD	$1,000,000
EOHLC – CBH/FCF	$1,000,000
City of Boston MOH - CPA	$1,266,513
City of Boston MOH - NHT	$1,750,000
Deferred Developer Fee	$1,172,786
Total Sources	$61,427,479

LIHTC Pricing	
Federal LIHTC	$0.9825
State LIHTC	$0.82

Core Residential Uses of Funds	Total		Base Costs		Extraordinary Costs	
		Per Unit		*Per Unit*		*Per Unit*
Acquisition	-	-	-	-	-	-
Construction	$39,493,438	$598,385	$26,640,574	$403,645	$12,852,864	$194,740
Construction Contingency	$1,974,672	$29,919	$1,332,029	$20,182	$642,643	$9,737
General Development	$6,162,611	$93,373	5,358,059	$81,183	$804,552	$12,190
Capitalized Reserves	$755,477	$11,447	$509,612	$7,721	$245,865	$3,725
Overhead	$2,456,727	$37,223	$1,657,203	$25,109	$799,525	$12,114
Fee	$2,456,727	$37,223	$1,657,203	$25,109	$799,525	$12,114
Total Residential Uses	$53,299,652	$807,570	$37,154,679	$562,950	$16,144,974	$244,621

Commercial Uses	-

Site and Other Nonresidential Uses*	$8,127,827

Total Uses	$61,427,479

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

11. First Year Income and Expenses

Income		
Rental Income – Project-Based Rental Subsidy		$475,740
Rental Income – Non-Rental Subsidy		$1,153,332
Gross Potential Residential Income		$1,629,072
Vacancy – Project-Based Rental Subsidy	3.0%	($14,272)
Vacancy – Non-Rental Subsidy	5.0%	($57,667)
Gross Residential Income		$1,557,133
Other Income – laundry		$14,855
Effective Gross Income		$1,571,988

Expenses	
Residential Operating Expenses	$932,021
Net Operating Income	$639,968
Debt Service	($539,326)
Cash Flow	$100,642

First Mortgage Debt Service Coverage 1.19

Residential Operating Expense Detail			*Per Unit*
Management Fee	5.0%	$78,599	$1,191
Administrative Costs		$201,526	$3,053
Maintenance Costs		$179,019	$2,712
Resident Services		$79,200	$1,200
Security		$1,842	$28
Utilities (water and sewer, hot water)		$97,350	$1,475
Taxes		$99,460	$1,507
Replacement Reserves		$49,500	$750
Condominium Fees (includes insurance)		$145,524	$2,205
Total		$932,021	$14,122

Operating Expenses as a Percent of EGI 59.3%

12. Underwriting

1. **Financing Structure**. First Citizens will serve as the taxable and tax-exempt construction lender, providing an estimated $43,500,000 in construction loans to the Development. MassHousing will issue an estimated $38,615,000 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 and tax-exempt construction financing with First Citizens. MassHousing will also issue the drawdown tax-exempt bonds. First Citizens will draw down at least $51,000 of the tax-exempt bonds.

   During construction, the Borrower will continue to draw down First Citizens' taxable and tax-exempt construction loans, available equity, and EOHLC and City soft funds to pay for project expenses. The full amount of tax-exempt bonds will be utilized during the development period. The Borrower has proposed a delayed equity investor admission structure, which will allow the Borrower to benefit from a non-profit sales tax exemption and result in just under $1,500,000 savings on the costs of construction materials.

   Following stabilization, a portion of the tax-exempt proceeds, equal to $8,210,000 of the tax-exempt loan, will be assigned to MHP and remain outstanding as a permanent loan.

2. **Ground Lease.** ACDC 55 Hudson Development LLC**,** an affiliate of ACDC, will act as both the ground lessee and the declarant of the primary condominium. At construction closing, this entity will enter into a 99-year ground lease with the BPDA, with nominal annual ground lease payments and no upfront payment. MassHousing review and approval of the ground lease documents will be required prior to closing.

3. **Condominium Structure.** ACDC 55 Hudson Development LLC (the "Primary Condo Entity") will declare the primary condominium with three units at the time of the construction loan closing: the Rental Condo (the Development), the Homeownership Condo, and the Library Condo.

   At this time, the Primary Condo Entity will convey the Development to the Borrower. The Primary Condo Entity will retain and develop the Library Condo (core and shell only) and the Homeownership Condo.

   At construction completion, the core and shell of the Library Condo will be conveyed to the City of Boston, acting by and through the Boston Public Library (the "City" or "BPL"), who will then complete improvements to the library. The Primary Condo Entity will declare a secondary homeownership condominium. As the homeownership units are sold, the individual unit owners will become members of the secondary condominium association, which is a member of the primary condominium association. The condominium structure and documents shall be subject to MassHousing review and approval prior to closing, including a review to ensure that costs and risk are reasonably isolated to each respective component**.**

4. **Homeownership and Library Funding**. Evidence of all funding for the Rental, Homeownership and Library Condos shall be required prior to closing, including the following funds that have not yet been confirmed as awarded.

    a. Homeownership: MassHousing is currently processing the Sponsor's request for $12,000,000 in funding under the Commonwealth Builder ("CWB") program for the Homeownership Condo. Additionally, First Citizens is reviewing a request for an approximate $1,500,000 Sponsor line of credit to bridge a portion of homeownership sales proceeds and expects to issue a term sheet for this funding in early June.

    b. Library: The City of Boston has confirmed that the necessary funds for acquisition of the core and shell have been allocated and made available in the City's budget. This has been confirmed by the City of Boston Capital Plan, the Public Facilities Commission vote, and the Boston Public Library Board of Trustees vote. The City's Office of Budget Management provided informal confirmation via email. The funding commitment will be evidenced by a forthcoming purchase and sale agreement between the BPL and ACDC 55 Hudson Development LLC.

5. **Environmental.** The Phase I Environmental Site Assessment identified a Business Environmental Risk. Soils at the Site were found to contain elevated levels of naphthalene, the presence of which is typically associated with the historic location of a dry cleaner on an adjacent parcel. Further investigations determined that fewer than twenty cubic yards of soil are impacted, and these soils will be removed under a Limited Removal Action ("LRA") in accordance with MassDEP regulations within 120 days of executing the ground lease and notice to proceed. The Development's prorata share of the costs for this work are included in the development budget.

6. **Developer Fee**. The Sponsor has proposed paid developer fee that exceeds the QAP standard because, due to resource constraints, no fee or overhead are charged to the Homeownership Condo. This proposal is currently under review and is subject to EOHLC approval.

7. **Tenant Selection Plan.** The Sponsor has proposed to use an alternative form of Affirmative Fair Housing Marketing and Tenant Selection Plan. This is subject to MassHousing approval prior to closing.

8. **Average Income Set-Aside**. The Sponsor proposes the use of the 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 56.52%, 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.

9. **Conduit Appraisal.** For this conduit transaction, MassHousing will rely on the First Citizens' appraisal as an intended user to determine value.

Underwriting Criteria and Loan Terms	55 Hudson Rental	Underwriting Standards
1. DSCR	1.19x	Commercial Lender
2. Term/Amortization	20 y / 40 y	Up to 40 years, as determined by Commercial Lender
3. Loan to Value	TBD	Maximum of 90% based on third party "as-proposed" investment value
4. Underwriting Rents	Programmatic rent cap, with 5.0% marketing window on 50% - 80% AMI units	Commercial Lender
5. Vacancy Allowance	PB-Section 8 & MRVP: 3.0% Non-PBS8: 5.0%	Commercial Lender
6. Affordability	40% at 60% of AMI	Minimum of: • 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	$750 unit / year	Commercial Lender
8. Operating Expenses	Approximately $14,122 unit / year	Commercial Lender

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.

55 Hudson Rental

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 "55 Hudson Rental" (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 $38,615,000 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 (if the loan would finance new construction).

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 $38,615,000 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, Chief Financial and Administrative Officer, Financial Director, Comptroller, Director (or Senior Director) of Finance, or Director (or Senior Director) of Capital Markets, 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 ACDC 55 Hudson Rental LLC or another single-purpose entity controlled by Asian Community Development Corporation or an affiliate (the "Borrower") as owner of the multifamily residential development known as "55 Hudson Rental" (the "Development") and located in Boston, 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:

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 Boston, Massachusetts and known as "55 Hudson Rental" (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.

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 First-Citizens Bank & Trust Company (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: To authorize the Chief Executive Officer and the Vice President of Multifamily Programs, or their respective designees, each acting singly, to permit the owner and management agent of 55 Hudson Rental to use as its tenant selection plan and affirmative fair housing marketing plan the form of Affirmative Fair Housing Marketing + Tenant Selection Plan (AFHM + TSP) in such form as has been approved by the Mayor's Office of Housing, Boston Planning & Development Agency and Boston Fair Housing Commission (BFHC) and subject to review and approval by MassHousing's Director of Rental Management.

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:
Sixty-six 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, April 28, 2025. Further, the reader is cautioned and reminded that any observations, comparisons, and/or conclusions are based on the data as of the indicated collection date.

In-house data for larger market and mixed-income complexes (approximately 975 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 96.8 %, and range between 93% and 99%. None of the comparables were offering concessions.

2nd Qtr. 2025 CoStar data for the subject's Downtown Boston Multi-Family Submarket (11,854 units) have an overall vacancy rate at 3.9% YTD, which is an increase of .02% from one year ago. CoStar data for the Boston market (286,369 units) has an overall vacancy rate of 5.6% YTD, which is an increase of .04 % from one year ago. The Downtown Boston Multi-Family Submarket vacancy rate is projected to increase to 4.7 % over the next five years, while the Boston market is projected to decrease to 5.5%.

CoStar submarket data for the 4-5 Star building type (6,744 units) indicates a 2nd Qtr. 2025 vacancy rate of 4.5% and an average asking rent of $4,441, while the submarket data for the subject's 3 Star building type (3,645 units) indicates a 2nd Qtr. 2025 vacancy rate of 2.7% at an average asking rent of $3,491 and 1-2 Star buildings (2,465 units) indicates a 2nd Qtr. 2025 vacancy rate of 3.7 % at an average asking rent of $2,712. 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 Boston 299,238 year-round housing units, 57,443 (19.2%) of which are subsidized for low/moderate income households.

Boston Housing Authority (BHA) owns and operates 27 family and 36 elderly/disabled developments with a total of 12,501 units. The BHA also administers 14,574 units of Leased Housing, consisting of 12,216 Housing Choice Vouchers, 1,441 Project Based and 198 Moderate Rehab. In addition, the City of Boston's Annual Plan (FY2024) indicated that the BHA maintains the following wait lists: There are 7,724 households on the Leased Housing waiting list. This is broken down by families with children, families with disabilities and elderly families. The BHA also had Single applicants on the waiting list. There were also instances of families that fit into more than one category. This waiting list has been closed since November 2008 and there are no plans to reopen at this time. The BHA also maintains a Public Housing Wait list with 28,703 applicants.

U.S. Census data from the 2018-2023 American Community Survey (ACS) indicates that of the 279,216 households in the City of Boston approximately 81.9% earned less than the HUD published 2025 AMI ($160,900), approximately 45.6% earned less than 50% of 2025AMI, approximately 53.3% earned less than 60% of the 2025 AMI, and approximately 68.6 %earned less than 80% of the 2025 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:

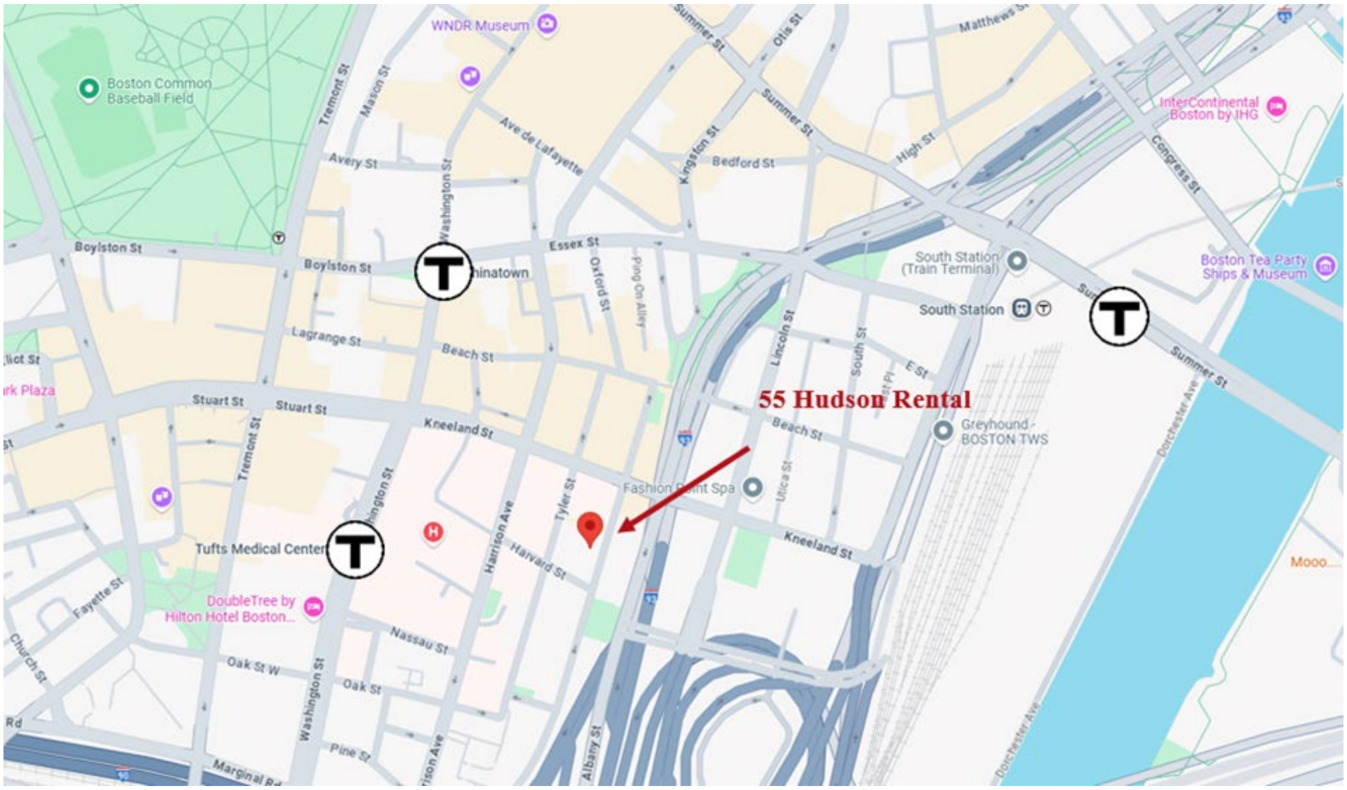
Pursuant to Section 6(a) of the Act, MassHousing makes the following rental determinations for units within the proposed Development:

Rent Schedule:

Number of Bedrooms	1	2	3
Number of Units	24	36	6
Net SF/Unit	667	899	1152
Elev./Non-Elev.	E	E	E
Market Rate Rent (insert)	$6,632	$6,908	$7,161
MHFA Below Market Rent (Cost-Based Rent)	$4,272	$4,547	$4,801
MHFA Adjusted Rent	30% of 60% of AMI		
Underwriting Rents			
Section 8 PBV	$2,499	$2,962	$3,583
MRVP	$2,394	$2,837	$3,418
LIHTC at 50% AMI	$1,252	$1,459	$1,627
LIHTC at 60% AMI	$1,546	$1,813	$2,036
LIHTC at 80% AMI	$2,135	$2,520	$3,024

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




BOSTON PUBLIC LIBRARY - CHINATOWN

Loan Commitment Proposal | June 10, 2025

Northern Heights Apartments

1. General Project Information	
Project Name	Northern Heights Apartments
Project ID	72-050
Associated Projects	N/A
Address(es)	3, 7, 11, 13, 15, 16, 17, 19, 21, 22, 23, 24, 27, 29, 31, 33, 35, 37, 39, 41, 43, 45, 47, 51, 53, 55, 57, 59, 61, 63, 65, 67, 71, 73, 75, 77 and 79 Central Street 759, 765 and 769 Main Street 84, 86, 88, 90, 92, 94, 96, 98, and 99 Adams Street 12, 14, 36, 40-1/2 Ashmun Street Springfield, MA 01105
Sponsor	WinnDevelopment Company Limited Partnership
Transaction Type	Preservation (4%)
Funding Type	Conduit Drawdown – Private Placement
Execution Type	Conduit (Tax-Exempt)
Credit Enhancement	None
Approval Type	Board
Total Rental Units	148
Affordability Mix	148 Affordable

2. Recommended Actions

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

WinnDevelopment Company Limited Partnership (the "Sponsor" or "WinnDevelopment") 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 Northern Heights Apartments (the "Development") in Springfield. The proposed financing will support the acquisition and occupied rehabilitation of the fully affordable Development.

The Sponsor acquired the scattered-site development, a former 13A property, in 2004 and completed a rehabilitation at that time. This proposal includes the first rehabilitation since 2004.

3. MassHousing Financing	
Conduit Loan	
Type	Short-Term Tax-Exempt Conduit Loan
Loan Amount	$16,260,000
Loan Term / Amortization	24 mo / interest only

4. Development Plan

Description of Site. The Development is located on five separate parcels on approximately three acres of land at 769 Main Street and multiple other addresses in the South End neighborhood of downtown Springfield (the “Site”). While the Development has multiple street addresses, there are five separate buildings. The Development is 0.5 miles from I-91 and within one mile of medical facilities, the police department, library, City Hall, multiple schools, restaurants, and retail and grocery stores. There are also several parks within walking distance.

Description of Existing or Proposed Building. The 148-unit development includes five (5) two- to-six-story, wood-frame buildings, within one city block. The mid-rise building at 3 and 7 Central and 759-769 Main Street is an elevator building, while the other buildings are walkups. Three buildings were constructed in 1900, with another constructed in 1908, and the last constructed in 1976. The historic rehabilitation includes work on all five buildings.

Rehabilitation includes the replacement of Federal Pacific electrical panels. Exterior work includes the replacement of roofs, windows, and masonry and siding repairs, while in-unit work includes the replacement of all kitchens, baths, unit doors, and upgrading all ADA units to be fully accessible.

Site work includes repaving sidewalks, entryways, and parking lots. Common area upgrades include new flooring, baseboard heating, new community kitchen appliances and countertops, and a new playground. Historic rehabilitation repairs include work to stairways, doors, and flooring. In-unit appliances will be Energy Star certified, and all lighting fixtures will be replaced with LED fixtures.

The Development includes a mix of studios, one-bedroom, two-bedroom, three-bedroom, and four-bedroom units.

The Development contains 134 striped, off-street parking spaces, of which 12 are handicap accessible. The Borrower leases thirty (30) of the spaces from an unrelated party on an abutting parcel.

Description of Affordability Mix. All 148 units will be subject to income restrictions with set-asides ranging from 30% of Area Median Income (“AMI”) to 60% of AMI.

Thirty-seven (37) units will benefit from project-based MRVP rental assistance.

Site Control. Quitclaim deed between Northern Heights Realty Company and Northern Heights 2 Limited Partnership.

5. Borrower Team

Mortgagor Entity: Northern Heights 2 Limited Partnership

Northern Heights 2 Limited Partnership ("Borrower") is a single-asset, sole-purpose limited partnership formed for the purposes of owning and operating the Development.

Developer / Sponsor: WinnDevelopment Company Limited Partnership

WinnDevelopment Company Limited Partnership, ("WinnDevelopment") is a Massachusetts limited partnership, the sole general partner of which is WDP Manager Corp., a Massachusetts corporation wholly owned by the partners of the company. Founded in 1971 and comprised of a staff of 3,000, WinnCompanies (the parent company of WinnDevelopment) is an owner, developer and manager of multifamily communities and mixed-income properties, owning more than 100 properties in 11 states, including 15,600 apartments. The company's development practice focuses on large-scale mixed-use and mixed-income multifamily properties, the acquisition and repositioning of properties, and the acquisition and adaptive reuse of historic structures.

The Agency's most recent experience with WinnDevelopment was on Newton Gardens in 2025, and Mary Ellen McCormack – Building A, Eastwalk, and Eva White Apartments in 2024. WinnDevelopment also completed a similarly structured conduit transaction, Worcester Boys Club (now known as Lincoln Square), in 2024.

General Partner / Managing Member: Northern Heights 2 GP LLC

A single-purpose entity formed for the purpose of being the general partner of the ownership entity.

Construction Lender: Rockland Trust Company

Founded in 1907, Rockland Trust Company ("Rockland Trust") currently operates 120 branches located in Massachusetts as a subsidiary of Independent Bank Corp. Rockland Trust offers a wide range of banking, investment, and insurance services to businesses and individuals through retail branches, commercial lending offices, investment management offices, and residential lending centers.

The Agency's most recent experience with Rockland Trust as construction lender was on Tackenash Knoll and Ticcoma Green 4% and 9% in 2025, Meshacket Commons in 2024 and Worcester Boys Club/Lincoln Square in 2024.

Syndicator / Investor: U.S. Bancorp Community Development Corporation ("US Bank")

Dating back to 1863 in its initial incarnation as First National Bank, US Bank is now the fifth largest bank in the United States and operates across a multitude of banking sectors.

US Bank has been operating in the affordable housing industry for over three decades, creating over 120,000 units and managing a portfolio of over $19,000,000.

The Agency's most recent experience with US Bank as investor was on Old Colony Phase Four in 2022.

Management Company: Winn Managed Properties, LLC (d/b/a "WinnResidential")

WinnResidential is the fifth-largest multifamily property manager in the United States, as well as the largest manager of affordable and privatized military housing. The company manages over 100,000 units at more than 550 properties in 22 states and the District of Columbia, including more than 50,000 units of affordable housing.

The Agency's most recent experience with WinnResidential was on Newton Gardens in 2025, and Mary Ellen McCormack – Building A, Eastwalk, Eva White Apartments in 2024 and Worcester Boys Club/Lincoln Square in 2024.

Architect: The Architectural Team, Inc.

The Architectural Team, Inc. ("TAT") is a master planning, architecture and interior design firm established in 1971. The 95+ person firm has earned more than 100 awards for design excellence across a broad range of building types and programs.

The Agency's most recent experience with The Architectural Team, Inc. was on 375 Broadway, Mary Ellen McCormack – Building A, and Eastwalk in 2024.

General Contractor: Keith Construction, Inc.

Keith Construction, Inc. is a general contractor and construction manager specializing in multifamily residential construction for clients throughout the Northeast and Mid-Atlantic United States. For over three decades, the company has gained extensive experience in residential rehabilitation, adaptive reuse, historic renovations, and new construction.

The Agency's most recent experience with Keith Construction, Inc. was on Eva White Apartments in 2024 and on Appleton Mill and The Aurora in 2023.

6. Summary of MassHousing-Sponsor Relationship			
	Recorded	*Committed*	*Total*
Number of Projects with MassHousing Debt	32	11	43
Total Units with MassHousing Debt	5,103	1,090	6,193
Outstanding MassHousing Principal Debt	$734,346,034	$280,166,100	$1,014,512,134
Number of Projects with MassHousing Conduit Financing	1		
MassHousing Conduit Loans are Compliant with Program Rules	Yes		
Adverse Actions Against the Borrower Team	No		
Current on Obligations with MassHousing	Yes		
Property Management Affiliate	Yes, Winn Managed Properties, LLC manages properties in the Sponsor's portfolio and offers management services outside the portfolio.		

MassHousing Staff	
Origination	Mike Carthas, Originator Dan Maillet, Analyst
Underwriting	Mitchell Printz, Underwriter Caroline Dylag, Analyst
Asset Management	Dan Barbanell, Portfolio Manager Vivian Almeida, Asset Manager

7. Unit Mix

		LIHTC Eligible					
Unit Size	Total Units	30% of AMI - MRVP		60% of AMI - MRVP		60% of AMI - LIHTC*	
		Count	*Rent*	*Count*	*Rent*	*Count*	*Rent*
0 BR	19	1	$1,115	1	$1,115	17	$866
1 BR	38	6	$1,115	4	$1,115	28	$891
2 BR	61	5	$1,375	5	$1,375	51	$1,079
3 BR	18	6	$1,669	4	$1,669	8	$1,235
4 BR	12	1	$1,954	4	$1,954	7	$1,298
Total	**148**	**19**		**18**		**111**	

**Rents are net of utility allowance*

Project-Based Rental Subsidy	
Type	MRVP
Term	15 y*
Administrator	Way Finders

**Development will receive a new MRVP contract at construction completion. The term will be 15 years from the construction completion date.*

8. Operating Overview

Underwritten Operating Expenses	$1,749,754 (approximately $11,800 per unit)

Basis of Operating Costs. Borrower-proposed budget and historical development operations. Staff added $400/unit in Replacement Reserve Deposits, which was not included in the Borrower’s budget.

9. Project Costs

Core Residential Costs	
Base	$31,325,442
Extraordinary	$0
Total	$31,325,442
Commercial, Site and Other Non-Residential Costs	
Site and Other Non-Residential Costs	$3,411,037
Total	$3,411,037
Total Development Cost	
Total	$34,736,479

Project Construction Costs	
Total Construction Cost	$15,624,744
Construction per Square Foot	$115

Background on Commercial, Site and Other Non-Residential Costs. Site and non-residential costs are related to the undergrounding and installation of electrical utility lines. Additional costs are related to the historic rehabilitation.

10. Sources and Uses

Sources of Funds	Total
MHP Permanent Loan	$500,000
Federal LIHTC	$11,700,00
Federal Historic	$2,160,000
State LIHTC	$7,438,000
State Historic	$1,768,000
Sponsor Note	$1,500,000
NOI During Construction	$207,754
50% of Existing HOME-AHT	$1,131,862
50% of Existing HOME-Springfield	$626,049
EOHLC - AHTF	$2,750,000
EOHLC - HSF	$2,750,000
EOHLC - TOD	$2,000,000
Total Sources	$34,736,479

LIHTC Pricing	
Federal LIHTC	$0.92
State LIHTC	$0.85
Federal Historic	$0.90
State Historic	$0.85

Core Residential Uses of Funds	Total	*Per Unit*	Base Costs	*Per Unit*
Acquisition	$8,510,000	$57,500	$8,510,000	$57,500
Construction	$12,594,244	$85,096	$12,594,244	$85,096
Construction Contingency	$1,410,949	$9,533	$1,410,949	$9,533
General Development	$5,242,489	$35,422	$5,242,489	$35,422
Capitalized Reserves	$1,296,772	$8,762	$1,296,772	$8,762
Overhead	$1,135,494	$7,672	$1,135,494	$7,672
Fee	$1,135,494	$7,672	$1,135,494	$7,672
Total Residential Uses	$31,325,442	$211,658	$31,325,442	$211,658

Site and Other Nonresidential Uses*	$3,411,037

Total Uses	$34,736,479

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

11. First Year Income and Expenses

Income		
Rental Income – Project-Based Rental Subsidy		$660,180
Rental Income – Non-Rental Subsidy		$1,372,584
Gross Potential Residential Income		$2,032,764
Vacancy – Project-Based Rental Subsidy	2.5%	($16,505)
Vacancy – Non-Rental Subsidy	3%	($41,178)
Gross Residential Income		$1,975,082
Other Income – Laundry		$7,970
Effective Gross Income		$1,983,051

Expenses	
Residential Operating Expenses	$1,749,754
Net Operating Income	$233,298
Debt Service	($38,880)
Cash Flow	$180,388

Residential Operating Expense Detail			*Per Unit*
Management Fee	5.0%	$99,153	$670
Administrative Costs		$311,632	$2,106
Maintenance Costs		$670,206	$4,528
Security		$46,930	$317
Utilities (water and sewer, gas, electric)		$345,930	$2,337
Insurance		$175,096	$1,183
Taxes		$140,760	$951
Replacement Reserves		$59,200	$400
Parking Lease		$34,000	230
Total		$1,749,754	$11,823

Operating Expenses as a Percent of EGI 88.2%

12. Underwriting

1. **Financing Structure.** At construction closing, the Borrower will close on the taxable construction financing. MassHousing will also issue the drawdown tax-exempt bonds. Rockland Trust will draw down $51,000 of the tax-exempt bonds, which will be used specifically to pay for costs of bond issuance. During construction, the Borrower will draw down Rockland Trust's taxable construction loan, available equity, and Executive Office of Housing and Livable Communities ("EOHLC") and City of Springfield soft funds to pay for project expenses.

   At 50% completion, Rockland Trust will provide a tax-exempt loan or loans to the Borrower to pay down a portion of the construction loan. The Borrower will continue to draw down on the tax-exempt proceeds in an amount needed to meet the 50% test upon completion. When the Development meets the permanent lender's conversion conditions, the tax-exempt loan and the outstanding balance of the taxable loan will be repaid from tax credit equity, and the Borrower will close on a permanent loan in the amount of $500,000 from Massachusetts Housing Partnership Fund Board ("MHP").

2. **Relocation.** The development budget includes $168,945 ($1,142/unit) in relocation costs. The Sponsor has hired Housing To Home ("HTH"), a national relocation firm with extensive experience in affordable housing development in Massachusetts.

   There will be two tiers of relocation: i) in-place relocation and ii) temporary onsite relocation. The majority of residents will experience in-place relocation where they will vacate their units during the day to Developer-provided day spaces on-site and return to their units in the evening. Work for these units should take approximately 3-5 days.

   As part of the construction, eight (8) units will be renovated to be fully compliant ADA units. The residents of those units will be relocated to non-accessible units on the ground floor of the Development during the four-week renovation period and will then return to the ADA units. HTH will have an on-site Access Manager to work closely with residents and to provide guidance and support throughout the transition.

3. **Parking Lease.** The Development leases 30 surface parking spaces, as required by zoning, from an abutting site. The lease runs through 2032, with an annual payment of $34,000. Prior to closing, the sponsor will demonstrate to the satisfaction of MassHousing its ability to provide adequate parking for the Development for the long term.

4. **Third-Party Reports.** MassHousing will rely on the commercial lender's appraisal as an intended user to determine value.

Underwriting Criteria and Loan Terms	Northern Heights Apartments	Underwriting Standards
1. DSCR	N/A	Commercial Lender
2. Term/Amortization	24 months / Interest-Only	30 to 40 years, fully amortizing
3. Loan to Value	TBD	Maximum of 90% based on third party "as-proposed" investment value
4. Underwriting Rents	Programmatic Rent Cap	Commercial Lender
5. Vacancy Allowance	MRVP: 2.5% LIHTC: 3.0%	Commercial Lender
6. Affordability	40% at 60% of AMI	Minimum of: • 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	$400 unit / year	Commercial Lender
8. Operating Expenses	Approximately $11,800 unit / year	Commercial Lender

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.

Northern Heights Apartments
VOTES AND FINDINGS

PROPOSALS AND VOTES

OAS

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 "Northern Heights Apartments" (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 $20,325,000 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 (if the loan would finance new construction).
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 $20,325,000, 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, General Counsel, Chief Financial and Administrative Officer, Financial Director, Comptroller, Director (or Senior Director) of Finance, or Director (or Senior Director) of Capital Markets, 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 Northern Heights 2 Limited Partnership or another single-purpose entity controlled by WinnDevelopment Company Limited Partnership (the "Borrower") as owner of the multifamily residential development known as "Northern Heights Apartments" (the "Development") and located in Springfield, 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."

VOTED: To authorize the Chief Executive 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 mortgage loan from Rockland Trust Company (the "Rockland Loan"), provided that, other than the Rockland Loan, (1) any such mortgage loans shall be subordinated to MassHousing's mortgage loan, and other MassHousing debt as determined by the Chief Executive 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.

<u>4% Low-Income Housing Tax Credits</u>

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 Springfield, Massachusetts and known as "Northern Heights Apartments" (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:
148 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 May 8, 2025. Further, the reader is cautioned and reminded that any observations, comparisons, and/or conclusions are based on the data as of the indicated collection date.

In-house data for larger market and mixed-income complexes (approximately 972 units) in the area revealed a strong rental market. Current occupancy rates of the five comparable properties reviewed averaged approximately 98.8%, and range between 99% and 100%. None of the comparables were offering concessions.

Second quarter 2025 CoStar data for the subject's Springfield submarket (7,262 units) have an overall vacancy rate at 2.2% YTD, which is an increase of 0.05% from one year ago. CoStar data for the Springfield market (24,132 units) has an overall vacancy rate of 2.5% YTD, which is an increase of 0.05% from one year ago. The Springfield submarket vacancy rate is projected to increase to 2.5% over the next five years, and the Springfield Market is projected to stay at 2.5%. CoStar submarket data for the 4-5-Star building type (266 units) indicates a 2nd quarter 2025 vacancy rate of 9.3% and an average asking rent of $1,610, while submarket data for the subject's 3-Star building type (2,774 units) indicates a 2nd quarter 2025 vacancy rate of 1.6% at an average asking rent of $1,399 and 1-2-Star buildings (4,222 units) indicates a 2nd quarter 2025 vacancy rate of 2.2.% at an average asking rent of $1,229. 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 (6/29/23), the City of Springfield has 62,653 year-round housing units, 9,899 units (15.8%) of which are subsidized for low/moderate-income households.

Further, the Springfield Housing Authority (SHA) owns and /or operates 2,397 Public Housing units broken into five districts in Springfield. These include 13 developments for elderly and disabled residents and 14 developments for families. According to the City of Springfield's Five-Year Consolidated plan (2016-2021), there are 2,081 applicants on the waiting lists. 90.7% of those applicants are extremely low-income, with household incomes below 30% of AMI, 7.7% are very low-income households with incomes of 30-50% of AMI, and 1.5% are low-income households with incomes of 50-80% of AMI. Further, 40.6% of the applicants are families with children, 14.8% are elderly and 44.4% are disabled.

SHA also administers 2,733 Section 8 Housing Vouchers and they participate in the Massachusetts Section 8 Housing Choice Voucher Centralized Waiting List. At this time the list is open, and it is expected to remain open indefinitely.

U.S. Census data from the 2019-2023 American Community Survey (ACS) indicates that of the 58,046 households in the City of Springfield, approximately 69.7% earned less than the HUD published 2025 AMI ($96,200), approximately 56.2% earned less than 50% of 2025 AMI, approximately 61.8% earned less than 60% of the 2025 AMI, and approximately 69.6% earned less than 80% of the 2025 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:

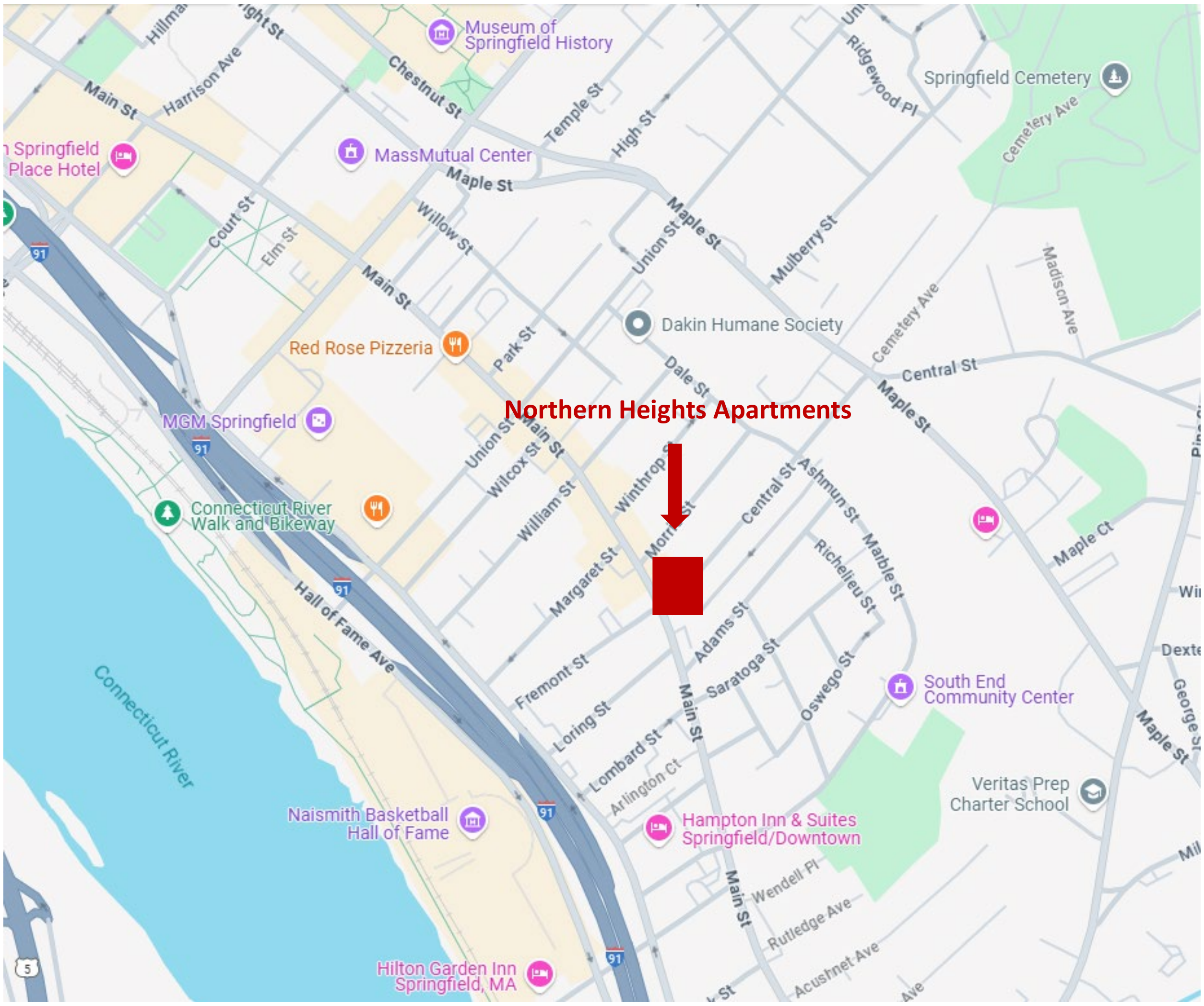
Pursuant to Section 6(a) of the Act, MassHousing makes the following rental determinations for units within the proposed Development:

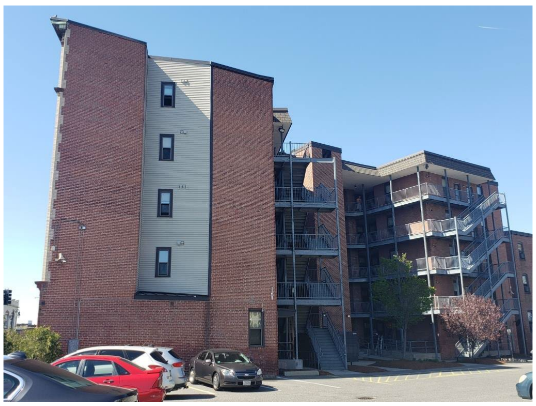
Rent Schedule:

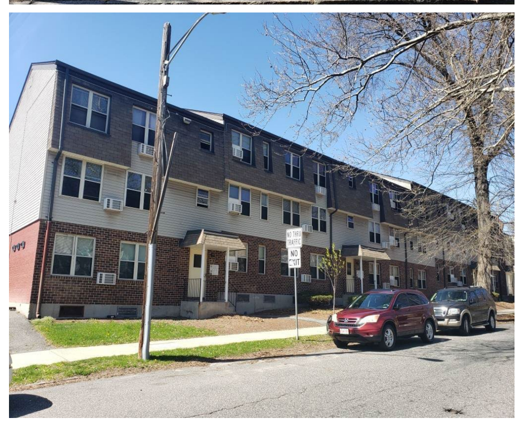
Number of Bedrooms	0	1	2	3	4
Number of Units	19	38	61	13	17
Net SF/Unit	516	737	844	1341	1840
Elev./Non-Elev.	Elev	Elev	Elev	Elev	Elev
Market Rate Rent (10% rate 20-year term)	$923	$937	$1,167	$1,382	$1,688
MHFA Below Market Rent (Cost-Based Rent)	$913	$926	$1,156	$1,371	$1,677
MHFA Adjusted Rent			30% of 60% of AMI		
Underwriting Rents					
MRVP - 30%	$ 1,115	$ 1,115	$1,375	$1,669	$1,954
MRVP - 60%	$1,115	$1,115	$1,375	$1,669	$1,954
LIHTC - 60%	$889	$859	$1,113	$1,185	$1,282

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 | June 10, 2025

Somerhill

1. General Project Information	
Project Name	Somerhill (f/k/a 259 Lowell Street)
Project ID	24-103
Associated Projects	N/A
Address(es)	259 Lowell Street, Somerville, MA 02144
Sponsor	WinnDevelopment Company Limited Partnership
Transaction Type	Preservation (4%)
Funding Type	Forward Commitment of a Permanent Loan
Execution Type	Portfolio (TE)
Credit Enhancement	HUD/FHA Risk-Sharing with 50% credit risk
Approval Type	Board
Total Rental Units	97
Affordability Mix	78 Affordable 19 Market

2. Recommended Actions

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

The proposed financing will support the acquisition and rehabilitation of Somerhill (the "Development"), an existing 97-unit mixed-income senior housing development in Somerville. The Development is currently owned by the Visiting Nurses Association of Eastern Massachusetts ("VNA") and offers residents a full array of supportive services including meals, housekeeping, laundry, 24-hour staff, personal emergency response systems as well as personal care and medication assistance.

As it refocuses on its healthcare mission, the VNA is seeking to phase out its ownership of the Development. As such, the VNA approached WinnDevelopment Company Limited Partnership ("WinnDevelopment" or the "Sponsor") to purchase the Development. As part of the Purchase and Sale Agreement, the VNA and the Sponsor have agreed on the continuation of all services that the VNA will provide to the residents.

Rehabilitation includes a Deep Energy Retrofit which will convert the Development to 100% electric and reduce the Development's energy usage by 40%. The transaction will bring the Development into the MassHousing portfolio.

3. MassHousing Financing	
First Loan	
Type	Tax-Exempt Permanent Loan
Loan Amount	$10,660,000
Interest Rate	30-Year MMD plus 225 basis points (bps) to be locked at Construction Loan Closing (processing rate of 7.00% assumed for underwriting)
Loan Term / Amortization	40 y / 40 y
Term of Fwd Commitment	24 mo
LTV	83% projected (90% maximum)
Equity Bridge Loan	
Type	Tax-Exempt Bridge Loan
Loan Amount	$8,885,000
Interest Rate	5.31% projected
Loan Term/Amortization	12 mo / interest only

4. Development Plan

Description of Site. The Development is located on a 1.91-acre site at 259 Lowell Street in Somerville (the "Site"). The centrally located neighborhood is surrounded by amenities including retail and services, commercial uses, and recreation areas. The Site is within walking distance to the MBTA Green Line and the Somerville Community Path.

Description of Existing or Proposed Building. Built in 1999, the Development consists of 97 one-bedroom units. Rehabilitation includes a complete Deep Energy Retrofit. This work will overhaul MEP systems and HVAC distribution for residents. Exterior work includes insulating the building envelope, and roof and window replacements, while in-unit work includes renovated kitchens, baths, and ADA upgrades.

All common areas, including the community room, laundry facilities, and exercise space will be upgraded with modern finishes. The existing office space on the second floor will be converted into a fitness center and a dining room, while the existing office space on the third floor will be converted into a large art room.

Description of Affordability Mix. Seventy-three (73) of the 97 units are currently restricted through 2099. The proposed financing will deepen restrictions on 20 of the 73 units (from 40%/50% of Area Median Income ("AMI") to 30% of AMI), and create new restrictions on five units (converting from market to 60% of AMI). As a result, 78 of the 97 units will be subject to income restrictions with set-asides ranging from 30% of AMI to 60% of AMI. The remaining 19 units will be unrestricted.

Twenty (20) units will benefit from project-based MRVP rental assistance.

Site Control. The current owner is the VNA. The Development is subject to a Purchase and Sale Agreement with the Sponsor.

5. Borrower Team

Mortgagor Entity: Somerville Senior Phase One LLC

Somerville Senior Phase One LLC (the "Borrower") is a single-asset, sole-purpose limited liability company formed for the purposes of owning and operating the Development.

Developer / Sponsor: WinnDevelopment Company Limited Partnership

WinnDevelopment Company Limited Partnership, ("WinnDevelopment") is a Massachusetts limited partnership, the sole general partner of which is WDP Manager Corp., a Massachusetts corporation wholly owned by the partners of the company. Founded in 1971 and comprised of a staff of 3,000, WinnCompanies (the parent company of WinnDevelopment) is an owner, developer and manager of multifamily communities and mixed-income properties, owning more than 100 properties in 11 states, including 15,600 apartments. The company's development practice focuses on large-scale mixed-use and mixed-income multifamily properties, the acquisition and repositioning of properties, and the acquisition and adaptive reuse of historic structures.

The Agency's most recent experience with WinnDevelopment was on Newton Gardens in 2025, and Mary Ellen McCormack – Building A, Eastwalk, and Eva White Apartments in 2024.

General Partner / Managing Member: Somerville Senior Phase One MM LLC

A single-purpose entity formed for the purpose of being the managing member of the ownership entity.

Construction Lender: Citizens Bank, N.A.

Citizens Financial Group, Inc. is a bank holding company that owns Citizens Bank, N.A. ("Citizens") and is one of the nation's oldest and largest financial institutions, with $220 billion in assets as of August 2024. Headquartered in Providence, Rhode Island, Citizens offers a range of retail and commercial banking products and services to individuals, small businesses, middle-market companies, large corporations and institutions.

The Agency's most recent experiences with Citizens as the construction lender was on Singing Bridge Residences in 2025.

Syndicator / Investor: Boston Financial Investment Management

Founded in 1969, Boston Financial Investment Management, LP ("BFIM") has been a leader in real estate investment management for over fifty years. With headquarters in Boston, BFIM manages approximately $15 billion in real estate investments for over 140 institutional clients across the United States.

The Agency's most recent experience with BFIM was on Eastwalk in 2024.

Management Company: Winn Managed Properties, LLC (d/b/a "WinnResidential")

WinnResidential is the fifth largest multifamily property manager in the country and the largest manager of affordable housing. The organization manages more than 100,000 units in 580 properties throughout the United States. WinnResidential manages a total of 82 properties with over 9,900 units in MassHousing's portfolio.

The Agency's most recent experience with WinnResidential was on Newton Gardens in 2025, and Mary Ellen McCormack – Building A, Eastwalk, and Eva White Apartments in 2024.

Architect: Khalsa Design, Inc. ("KDI")

Established in 1985, Khalsa Design, Inc. is an award-winning design firm specializing in multifamily housing, hospitality and mixed-use developments. Located in Somerville, MA, KDI works with developers and city officials to improve communities across New England. KDI's work includes new construction, renovations, and adaptive re-use of historic structures.

This is MassHousing's first transaction with Khalsa Design as the architect. MassHousing's Design & Technical team have reviewed Khalsa Design's history and work and found the firm to be acceptable.

General Contractor: The Congress Companies

The Congress Companies ("Congress") is a construction firm specializing in senior living, healthcare and multifamily residential market sectors throughout New England, New York, and New Jersey. Congress has provided pre-construction strategy, construction management, and development services to clients for over 60 years.

The Agency's most recent experience with Congress as general contractor for a rental project was on Greenfield Acres in 2015. Congress also served as general contractor for 68 Church Green Townhomes, a CWB project, in 2023.

6. Summary of MassHousing-Sponsor Relationship			
	Recorded	*Committed*	*Total*
Number of Projects with MassHousing Debt	32	11	43
Total Units with MassHousing Debt	5,103	1,090	6,193
Outstanding MassHousing Principal Debt	$734,346,034	$280,166,100	$1,014,512,134
Number of Projects with MassHousing Conduit Financing	1		
MassHousing Conduit Loans are Compliant with Program Rules	Yes		
Adverse Actions Against the Borrower Team	No		
Current on Obligations with MassHousing	Yes		
Property Management Affiliate	Yes, Winn Managed Properties, LLC manages properties in the Sponsor's portfolio and offers management services outside the portfolio.		

MassHousing Staff	
Origination	Mike Carthas, Originator Matt Deych, Analyst
Underwriting	Joe Bertolino, Underwriter Ryan Setzko, Underwriter
Asset Management	Mildred Mukasa, Portfolio Manager Mirna Bynoe, Asset Manager

7. Unit Mix

		LIHTC Eligible							
Unit Size	Total Units	30% AMI MRVP-PB		50% AMI LIHTC		60% AMI LIHTC		Market	
		Count	*Rent*	*Count*	*Rent*	*Count*	*Rent*	*Count*	*Rent*
1 BR	97	20	$2,394	29	$1,551	29	$1,861	19	$2,600
Total	**97**	**20**		**29**		**29**		**19**	

Project-Based Rental Subsidy	
Type	MRVP
Term	15 y
Administrator	Metro Housing Boston
Lesser of market or contract rents.	

8. Operating Overview

Underwritten Operating Expenses	$1,413,100 (approximately $14,600 per unit)

Basis of Operating Costs. Operating expense assumptions are based on the borrower-proposed budget and borrower-supporting documentation. Staff increased the Replacement Reserve Deposits to $500/unit to meet the Agency’s minimum requirement for preservation transactions.

9. Project Costs

Core Residential Costs	
Base	$36,682,372
Extraordinary	$3,965,690
Total	$40,648,062
Commercial, Site and Other Non-Residential Costs	
Site and Other Non-Residential Costs	$512,639
Total	$512,639
Total Development Cost	
Total	$41,160,701

Project Construction Costs	
Total Construction Cost	$16,526,626
Construction per Square Foot	$200

Background on Extraordinary Residential Costs. Extraordinary residential costs are related to the Deep Energy Retrofit materials encompassing the building envelope, roof, windows, and building systems.

Background on Commercial, Site and Other Non-Residential Costs. Site and Non-Residential costs are related to code-required accessibility improvements to sidewalks and the parking lot. Additional costs are related to City-required improvements to site drainage.

10. Sources and Uses

Sources of Funds	Total
MH Permanent Loan	$10,660,000
Federal LIHTC	$12,290,345
DOER	$3,880,000
Climate Ready Homes	$1,500,000
EOHLC AHTF/HSF/FCF	$7,800,000
MassSave LEAN	$694,417
Somerville AHT	$2,000,000
Resubordinated EOHLC/City HOME	$950,000
NOI During Construction	$652,747
Deferred Developer Fee	$733,192
Total Sources	$41,160,701

LIHTC Pricing	
Federal LIHTC	$0.92

Core Residential Uses of Funds	Total		Base Costs		Extraordinary Costs	
		Per Unit		*Per Unit*		*Per Unit*
Acquisition	$12,557,000	$129,454	$12,557,000	$129,454		$0
Construction	$16,072,624	$165,697	$13,392,624	$138,068	$2,680,000	$27,629
Construction Contingency	$1,926,727	$19,863	$1,658,727	$17,100	$268,000	$2,763
General Development	$5,630,717	$58,049	$5,505,717	$56,760	$125,000	$1,289
Capitalized Reserves	$1,394,041	$14,372	$1,115,079	$11,496	$278,962	$2,876
Overhead	$1,533,477	$15,809	$1,226,612	$12,645	$306,864	$3,164
Fee	$1,533,477	$15,809	$1,226,612	$12,645	$306,864	$3,164
Total Residential Uses	$40,648,062	$419,058	$36,682,372	$378,169	$3,965,690	$40,883

Site and Other Nonresidential Uses*	$512,639

Total Uses	$41,160,701

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

11. First Year Income and Expenses

Income		
Rental Income – Project-Based Rental Subsidy		$574,560
Rental Income – Non-Rental Subsidy		$1,780,176
Gross Potential Residential Income		$2,354,736
Vacancy – Project-Based Rental Subsidy	2.5%	($14,364)
Vacancy – Non-Rental Subsidy	3.7%	($65,261)
Gross Residential Income		$2,275,111
Other Income – MRVP Services Income		$30,000
Effective Gross Income		$2,305,111

Expenses	
Residential Operating Expenses	$1,413,059
Net Operating Income	$892,052
Debt Service	($794,935)
Cash Flow	$97,117

Debt Service Coverage 1.12

Residential Operating Expense Detail			*Per Unit*
Management Fee	5.0%	$115,256	$1,188
Administrative Costs		$173,096	$1,784
Maintenance Costs		$247,309	$2,550
Resident Services		$278,496	$2,871
Security		$32,527	$335
Utilities (water and sewer, hot water)		$248,247	$2,559
Insurance		$126,100	$1,300
Taxes		$116,878	$1,205
Replacement Reserves		$48,500	$500
Mortgage Insurance Premium		$26,650	$275
Total		$1,413,059	$14,568

Operating Expenses as a Percent of EGI 38.70%

12. Underwriting

1. **Loan Sizing**. The Sources and Uses in this commitment proposal reflect a Projected Loan amount of $10,660,000. The MassHousing Votes below allow for an "Up To" Loan amount of $11,250,000. 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 $10,660,000, MassHousing will confirm that other sources will be adjusted as necessary to maintain a balanced sources and uses.

2. **MRVP Service Income.** The Sponsor's proforma includes $30,000 in annual MRVP Service Income. This funding was awarded as part of the Development's Supportive Housing award. EOHLC/CEDAC has committed $1,500 per unit per year in services funding. MRVP Service Income will be paid monthly, must be used for resident services, and will benefit all households, not just MRVP households. Services include the Development's 24/7 front desk coverage. This coverage will be staffed by Winn employees or Winn-contracted staff and will be able to dispatch medical assistance as needed. The length of the support assistance is still being determined, but in no event will it be less than 40 years.

3. **Relocation.** The development budget includes $380,000 ($3,918/unit) in relocation costs. The Sponsor has hired Housing To Home ("HTH"), a national relocation firm with extensive experience in affordable housing development in Massachusetts.

   The rehabilitation will require temporary on-site relocation for residents while units are being renovated. Residents will move into vacant on-site units for approximately one to two weeks while renovations occur in their unit. It is anticipated that the in-place unit renovations will take approximately six months to complete.

   As part of the construction, five (5) units will be renovated to be fully compliant ADA units. Four of the ADA units are currently vacant and will be renovated first. The resident of the occupied ADA unit will move to a newly renovated ADA unit on the same floor. HTH will have an on-site Access Manager to work closely with residents and to provide guidance and support throughout the transition.

4. **Net Operating Income (NOI) During Construction.** The development budget includes 50% of the NOI during the construction period as a funding source. This source includes income from MRVP rents, which begins once the renovated units are occupied by MRVP holders, prior to conversion. The NOI during construction accounts for a staggered phase-in of MRVP rents throughout construction.

5. **Rent Transition Reserve.** Many existing tenants pay rents that are lower than the full LIHTC rents that are assumed in the underwriting. For existing residents in non-subsidy LIHTC units, the Sponsor has agreed not to increase rents by more than 2% per year. Rents will increase to 100% of LIHTC maximum at natural turnover. To maintain a 1.15x debt service coverage ratio for 5 years, MassHousing will hold a rent transition reserve (currently estimated to be $380,000) based on the projected turnover rate.

6. **Third-Party Reports.** The MassHousing third-party appraisal and capital needs study are underway. To the extent either reports change the underwritten rents and/or loan-to-value, the loan amount will be adjusted accordingly.

Underwriting Criteria and Loan Terms	**Somerhill**	**Underwriting Standards**
1. DSCR	1.12x	Minimum of 1.10
2. Term/Amortization	40 y / 40 y	30-40 y, fully-amortizing
3. Loan to Value	83.1%	Maximum of 90% based on third party "as-proposed" investment value
4. Underwriting Rents	PB – Rental Subsidy contract or market supported rents	Lesser of: • PB-Rental Subsidy contract or market supported rents • Programmatic rent cap or rents supported by MassHousing market review.
5. Vacancy Allowance	2.5% for PB – Rental Subsidy 3.0% for LIHTC 5.0% for unrestricted or workforce housing	Minimum of: • 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: • 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	Minimum of: • $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 $14,600 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 the Loan 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.

Somerhill

VOTES AND FINDINGS

PROPOSALS AND VOTES

Official Action Status

RECOMMENDATION:

Staff has reviewed the development experience and creditworthiness of the mortgagor and developer and found them to be acceptable. Staff has also determined that the mortgagor 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. 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 “Somerhill” (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 to fund all or a portion of costs paid or incurred after this date from the proceeds of a tax-exempt debt issue of the Agency if the Agency shall approve and fund the Development; (iii) that the issuance of debt by the Agency not be in excess of $24,435,000 in principal amount for the Development; and (iv) that the issuance of debt occur not later than 18 months after the latest of (a) the date on which the earliest expenditure subject to Treasury Regulations Section 1.150-2 is paid, (b) the date on which the property is placed in service or abandoned, but in no event more than three years after the earliest expenditure is paid, or (c) the date otherwise permitted by the Internal Revenue Code or Treasury Regulations promulgated thereunder.

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 (if the loan would finance new construction).

4. There is a need for the proposed housing in the community where the site is located.

Mortgage Loans

Staff has reviewed the proposal for (i) permanent and equity bridge financing and (ii) 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 $11,250,000, such first loan to be insured under the HUD HFA Risk Sharing Program; and (b) a subordinate equity bridge mortgage loan in a principal amount of up to $8,885,000, in each case to be made to Somerville Senior Phase One LLC or another single-purpose entity controlled by WinnDevelopment Company Limited Partnership (the "Borrower") as owner of the multifamily residential development known as "Somerhill" (the "Development") and located in Somerville, 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: N/A

FURTHER 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 Somerville, Massachusetts and known as "Somerhill" (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 Executive Director, the Vice President of Multifamily Programs, the Director of Rental Business Development, the Director of Rental Lending, the Director of Rental Operations, 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.

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:
78 units (80.4%) 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 May 6, 2025. Further, the reader is cautioned and reminded that any observations, comparisons, and/or conclusions are based on the data as of the indicated collection date.

In-house data for larger market and mixed-income complexes (approximately 1,199 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 94.8% and ranged between 90% and 98%. One comparable was offering a concession of ½ month free

2nd Qtr. 2025 CoStar data for the subject's Somerville/Charlestown Submarket (6,728 units) have an overall vacancy rate at 6.1% YTD, which is a decrease of 2.04% from one year ago. CoStar data for the Boston market (285,950 units) has an overall vacancy rate of 5.6% YTD, which is an increase of .09% from one year ago. The Somerville/Charlestown Submarket vacancy rate is projected to increase to 8.3% over the next five years, while the Boston market is projected to increase to 5.7%.

CoStar, submarket data for the Somerville/Charlestown 4-5 Star building type (3,845 units) indicates a 2nd Qtr. 2025 vacancy rate of 7.5% and an average asking rent of $3,643 while submarket data for the subject's 3 Star building type (1,463 units) indicates a 2nd Qtr. 2025 vacancy rate of 4.0% at an average asking rent of $2,594 and 1-2 Star buildings(1,420 units) indicates a 2nd Qtr. 2025 vacancy rate of 4.2% at an average asking rent of $2,211. 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.

Per the representative of the Somerville Housing Authority, (SHA) they own/manage, 215 units of Federal Family housing consisting of 22 one-bedrooms, 94 two-bedrooms, 71 three-bedrooms, 24 four bedrooms and 4 five-bedrooms. There are 1,108 applicants on the Federal family waiting list, broken down as follows: 368 one-bedrooms, 253 two-bedrooms, 407 three-bedrooms, 65 four-bedrooms and 15 five-bedrooms. They also have 369 one- bedroom units of Federal Elderly housing and there are 2,526 applicants on that waiting list. Regarding State funded housing, SHA owns/manages 459 State Family housing consisting of 33 one-bedrooms, 247 two-bedroom, 177 three-bedrooms, 1 4-bedroom and 1 five-bedrooms. There are 1,121 applicants on the State Family waiting lists that are broken down as follows: 344 one-bedrooms, 454 two-bedrooms, 231 three-bedrooms, 80 four-bedrooms and 12 -five bedrooms. They also have 274 State Elderly Units consisting of 261 one-bedrooms, 4 two-bedrooms and 3 three-bedrooms. There are 1,110 applicants on that waiting list consisting of 1,024 one- bedroom, 85 two- bedrooms and 1 three-bedroom. They also administer 1197 HCV vouchers and 112 Mainstream vouchers and per the representative there are 219,211 applicants on the centralized Section 8 waitlist. This list is a state-wide list.

According to the Executive Office of Housing and Livable Communities (EOHLC) Chapter 40B Subsidized Housing Inventory (06/29/2023), the City of Somerville has 36,167 year-round housing units, 3,247 (8.95%) of which are subsidized for low/moderate income households.

U.S. Census data from the 2019-2023 American Community Survey (ACS) indicates that of the 35,427 households in the City of Somerville approximately 78% earned less than the HUD published 2025 AMI (160,900) approximately 341.1% earned less than 50% of 2025 AMI, approximately 43.4 % earned less than 60% of the 2025 AMI, and approximately 62.0%earned less than 80% of the 2025 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	1
Number of Units	97
Net SF/Unit	550
Elev./Non-Elev.	Elev.
Market Rate Rent	$2,401
(10% rate, 20-year term)	
MHFA Below Market Rent	$2,023
(Cost-Based Rent)	
MHFA Adjusted Rent	30% of 60% of AMI
Underwriting Rents	
30% AMI MRVP	$2,394
50% AMI LIHTC	$1,551
60% AMI LIHTC	$1,861
Unrestricted Market	$2,600

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

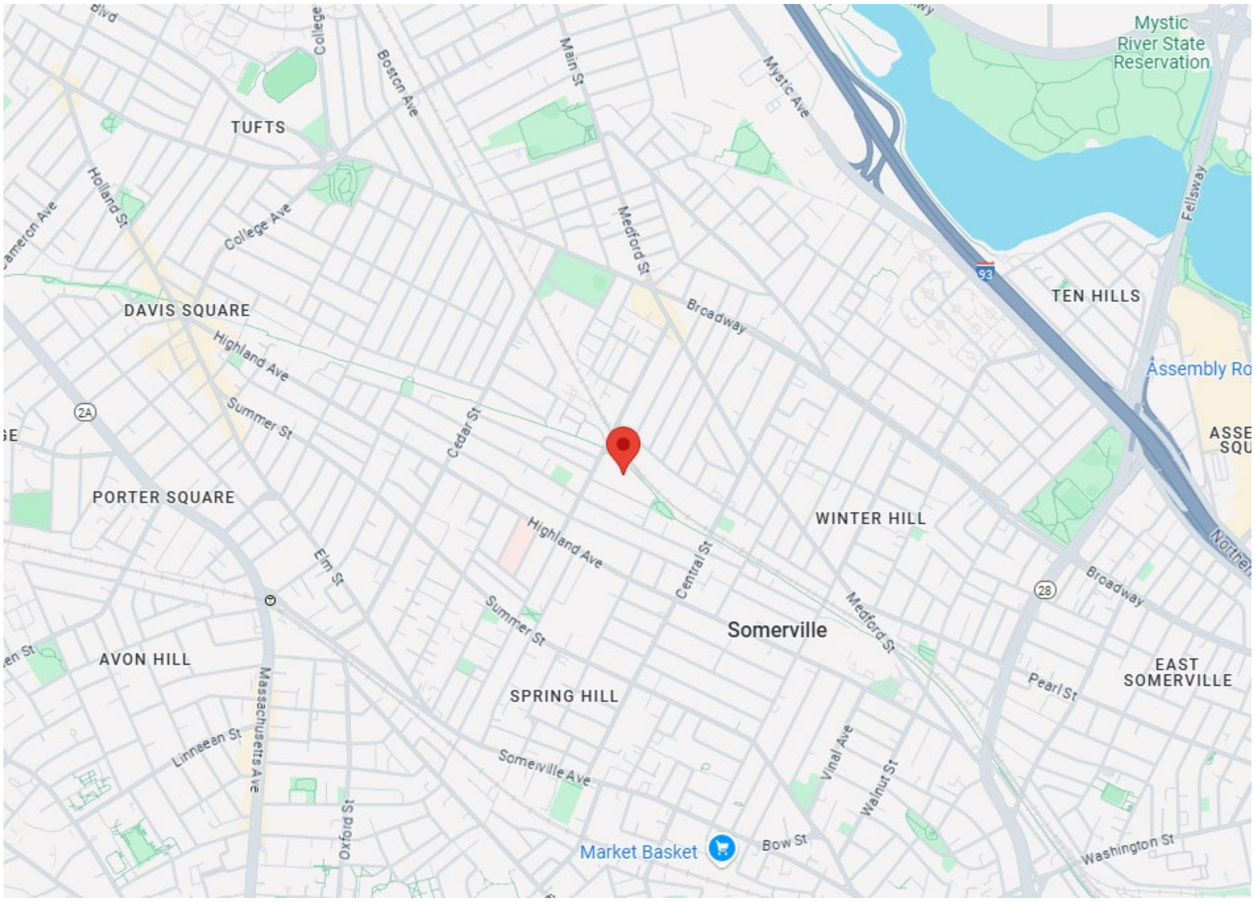


BILD Financing Commitment Proposal | June 10, 2025

Claremont Grafton

1. General Project Information	
Project Name	Claremont Grafton
Project ID	25-004
Associated Projects	N/A
Address(es)	5 Millennium Drive, Grafton MA 01536
Sponsors	Claremont Companies
Transaction Type	Production
Funding Type	1) Forward Commitment of an Equity Investment 2) Forward Commitment of a Subordinate Loan
Execution Type	1) Momentum Equity 2) Financing Options for Residential Growth and Expansion ("FORGE") Loan (Taxable)
Credit Enhancement	None
Approval Type	Board
Total Rental Units	233
Affordability Mix	47 Affordable 186 Market

2. Recommended Actions

- Commitment of Momentum Equity
- Commitment of a Subordinate Loan

The proposed financing will support the development of Claremont Grafton (the "Development"), a 233-unit mixed-income community located in the Town of Grafton. Claremont Companies ("Claremont" or the "Sponsor") will be the developer for the proposed transaction.

The financing will leverage the Agency's Bringing Innovation to Lending and Development ("BILD") program and will include both a Momentum Equity investment and permanent debt with a Financing Options for Residential Growth and Expansion ("FORGE") Loan. The proposed FORGE Loan financing will utilize MassHousing's arrangement with Berkadia Commercial Mortgage LLC ("Berkadia"), which allows sponsors to access an integrated debt financing package through the Federal Home Loan Mortgage Corporation ("Freddie Mac").

3. Financing	
Momentum Equity	
Type	Preferred Equity
Equity Investment Amount	Up to $9,000,000
Preferred Equity Return	10 Year Treasury Rate + 200bps (currently 6.45%)
Funding Timing	Stabilization
FORGE Loan	
Combined Loan Amount	$59,140,000
Loan Term / Amortization	10 y / 40 y
Forward Term	Up to 42 months*
Combined Year 1 DSCR	1.25 projected (1.25 minimum)
Combined LTV	59% projected (80% maximum)
Funding Timing	Stabilization
Freddie Mac Loan	
Type	Taxable Freddie Mac Loan
Loan Amount	$53,230,000
Interest Rate	6.45% projected, locked in advance of closing
MassHousing Loan	
Type	Taxable MassHousing Loan
Loan Amount	$5,910,000
Interest Rate	8.45% projected, locked in advance of closing

*The programmatic maximum forward commitment is 36 months. Due to the site work required before vertical construction can begin, and the time needed to construct the two buildings and lease 233 units, the projected FORGE funding date is 42 months after construction closing. Berkadia will request a waiver from the 36-month forward commitment limit as part of its application to Freddie Mac. MassHousing's commitment is conditioned upon receipt of this waiver.

4. Development Timing

Estimated Project Timing	
Sitework Construction Start Date	8/15/2025
Vertical Construction Start Date	1/15/2026
Completion of Building 1	7/15/2027
Completion of Building 2	9/15/2027
Building 1 Fully Occupied	6/15/2028
Building 2 Fully Occupied	12/15/2028
Disbursement of FORGE Loan & Momentum Equity	4/15/2029

5. Development Plan

Description of Site. The Development will be located on a 10.7-acre parcel located at 5 Millennium Drive in Grafton (the "Site").

The Site is a wooded lot adjacent to the Grafton MBTA Commuter Rail station. The surrounding area contains office and light industrial uses, with the Cummings School of Veterinary Medicine at Tufts University located less than a mile away. Amenities such as grocery stores, restaurants, and other services are available at various locations in Grafton and on Route 9 in Shrewsbury, all within a 10-minute drive.

The grade change from the northern to the southern end of the site is approximately 70 feet, which will require an estimated five months of site work before vertical construction can begin. Once complete, the Development will provide direct pedestrian access to the commuter rail station, with service to Worcester and Boston.

Description of Existing or Proposed Building. The development plan involves the new construction of two five-story buildings, one with 123 units and the other with 110 units, for a total of 276,000 gross square feet and 222,000 net rentable square feet. Each building will contain two elevators. The Development will include 355 surface parking spaces available to residents free of charge and 24 garage parking spaces in four garages available for $300 per month.

The Development will include nearly 11,000 square feet of amenity space, such as resident lounges, a game room, fitness center, mail & package rooms, dog wash area, and work-from-home stations. Outdoor features will include a swimming pool, grilling areas, a pergola with an outdoor TV, and a fire pit.

Description of Affordability Mix. Twenty percent of the units (47 units) will be income restricted for households earning up to approximately 80% of the Area Median Income ("AMI"). The remaining units will be unrestricted market rate apartments.

Zoning and Permitting. The Development is fully permitted as part of the Town of Grafton's Chapter 40R Smart Growth Zoning Overlay district and is also located in the Town's multifamily zoning district as part of the MBTA Communities act.

Site Control. The Sponsor has site control through a quitclaim deed.

Priority Screening Criterion. The project was screened for BILD eligibility on a wide range of factors (e.g. readiness and eligibility, project costs and investment efficiency, impact and additionality). Additional information about this criterion can be found in Exhibit B.

6. Development Team

Mortgagor Entity: Claremont Grafton LLC is a sole-asset, single-purpose entity formed for the purpose of owning and operating the Development.

Developer / Sponsor: Claremont Companies is a privately owned family-run real estate investment, development, and asset management firm based in Bridgewater. The company was founded in 1968 by Patrick Carney, who still serves as the Chairman & Chief Executive Officer. Claremont owns over 60 real estate assets consisting of hotels, apartments, office buildings, and vacant and leased land.

Managing Member / Manager: An affiliate of Claremont Companies, with Edward Carney as principal, will retain control in an entity structure that will comply with both the FORGE and Momentum requirements.

Construction Lender: Rockland Trust Company ("Rockland Trust") was founded in 1907 and currently operates 120 branches in Massachusetts as a subsidiary of Independent Bank Corp. Rockland Trust offers a wide range of banking, investment, and insurance services to businesses and individuals through retail branches, commercial lending offices, investment management offices, and residential lending centers. Rockland Trust is also the construction lender on Meshacket Commons and Tackenash Knoll.

Investor: Carney Family Trust 2019 will provide all common equity to the Mortgagor Entity for the transaction.

General Contractor: 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 was the general contractor on Rindge Commons Phase I, which completed construction in 2024, and is currently working on Meshacket Commons and Pointe at Hills Farm, all of which have Agency financing.

Architect: Market Square Architects PLLC was established in 2016 in Portsmouth, NH and has a staff of over 40 people, with 10 licensed architects. The firm has designed multifamily developments in Pembroke, Lowell, and Fall River within Massachusetts, and has acquired architecture firms in Austin, TX and Nashville, TN to more effectively work in those regions.

Market Square Architects is currently under review by Design & Construction as this will be their first project with MassHousing.

Management Company: Claremont Companies has over 50 years of property management experience and currently manages over 2,500 units in Massachusetts. Claremont manages 425 units in three developments in the Agency's portfolio.

7. Summary of MassHousing-Sponsor Relationship	
Number of Projects with MassHousing Debt	3
Total Units with MassHousing Debt	425
Outstanding MassHousing Principal Debt	$38,919,487
Adverse Actions Against the Borrower Team	Yes* (see explanation below)
Current on Obligations with MassHousing	Yes
Property Management Affiliate	Yes

*MassHousing's engagement with the Claremont Companies dates to the 1970s. Despite a lengthy and successful relationship spanning decades, the Agency ultimately foreclosed on a Claremont development in 2005. The Agency and the Sponsor have since reviewed and reconciled the circumstances surrounding the foreclosure, and the Sponsor has maintained properties in the Agency's portfolio in conformance with the Agency's requirements and standards. As part of the origination process for the Development, Agency staff have followed up with the Sponsor's references in the real estate development field, all of whom reported that they consider the Claremont relationship to be highly valuable and in their highest credit quality tiers. This context and diligence inform staff's recommendations of approval of both the FORGE Loan and Momentum Equity investment.

MassHousing Staff	
Origination	Brian Robinson Jeff Geller
Underwriting	Dan Staring Joe Bertolino
Asset Management	Piia DiMeco Dan Discenza

8. Unit Mix with Preliminary Rents

Unit Size	Total Units	80% of AMI MassHousing Statutory*			Unrestricted Market Rate**		
		Count	*Rent/sf*	*Rent*	*Count*	*Rent/sf*	*Rent*
0 BR	12	2	$2.47	$1,470	10	$4.16	$2,475
1 BR	104	22	$1.93	$1,511	82	$3.59	$2,810
1 BR Large	5				5	$3.23	$3,025
2 BR	81	20	$1.62	$1,789	61	$3.05	$3,370
2 BR with Den	13				13	$3.02	$3,475
2 BR Large	5				5	$2.49	$3,595
3 BR	13	3	$1.52	$2,010	10	$3.03	$3,995
Total	**233**	47			186		

** Net of utility allowances*

*** Market rents represent projections based on review of materials provided by Sponsor as well as available market comparable information. Underwritten rents will be reviewed and finalized upon receipt of appraisal commissioned by Berkadia and reviewed by both Berkadia and MassHousing. At this stage, the projected gross rent net of vacancy allowance associated with these units is in line with comparable data*

9. Operating Overview	
Underwritten Operating Expenses	$2,579,000 (approximately $11,070 per unit)

Basis of Operating Costs. Underwritten operating expenses are based on review of the Sponsor's proforma, Freddie Mac underwriting requirements, and review of available comparable data. Operating Expenses will be further refined through Berkadia's underwriting with Agency underwriting confirming the final operating expense budget in sizing of the Subordinate Loan but appears to be reasonable based on staff review of comparable expense data.

All utilities at the Development will be sub-metered, including water usage, and will be paid by tenants. Heat, air conditioning, appliances, and hot water will be electric. The operating expenses include common area electrical and water and sewer costs. The 80% of AMI units include a utility allowance in the rent.

10. Project Costs

Project Construction Costs	
Total Construction Cost	$70,156,000
Gross Square Footage	276,000 GSF
Construction per Gross Square Foot	$254 per GSF
Construction per Unit	$301,100 per unit

11. Sources and Uses

Sources	Construction		Pre-Stabilization		Permanent		
		per unit		*per unit*		*per SF*	*per unit*
Construction Loan	$67,399,376	$289,268	$67,399,376	$289,268			
FORGE Loan					$59,140,000	$214	$253,820
Momentum Equity					$9,000,000	$33	$38,627
Common Equity	$22,466,459	$96,422	$22,466,459	$96,422	$21,725,835	$79	$93,243
Total	$89,865,835	$385,690	$89,865,835	$385,690	$89,865,835	$326	$385,690

Uses		*per SF*	*per unit*
Acquisition	$3,930,000	$14	$16,867
Construction	$70,156,462	$254	$301,101
Contingency (5%)	$3,507,823	$13	$15,054
General Development	$9,890,079	$36	$42,447
Developer Overhead & Fee	$2,381,471	$9	$10,221
Total	$89,865,835	$326	$385,690

12. Construction Loan Detail

Sources	*Position*	*Rate*	*Term*	*Amort.*	*Funding*
Construction Loan	First	TBD	TBD	TBD	Construction

13. Equity Detail

Equity Breakdown	*Total*	*Percent of TDC*	*Percent of All Equity*
Total Equity			
Common Equity	$21,725,835	24%	71%
Momentum Equity (permanent only)	$9,000,000	10%	29%

Financial Assumptions	
Trending (annual)	3% revenue increase 3% expense increase
# of Units Pre-leased by 1st CO	20 Units
Monthly Absorption Rate	17 units per month
Sale or Exit Timeframe	120 Months after Project Stabilization
Key Performance Indicators	
Sale or Exit Capitalization Rate*	5.75%
Unlevered Year 1 Return on Cost	5.89%
Distributions / Paid-in-Capital, net of investment	0.58x
Residual Value to Paid-in-Capital, net of investment	1.96x
Total Value to Paid-in-Capital	2.54x
Common Equity IRR	9.32%
Common Equity IRR without Momentum	8.26%
Momentum Equity IRR	6.50%
Levered Average Project Cash-on-Cash	5.82%
Break-Even Capitalization Rate	10.48%
Break-Even NOI	$3,674,000

*Based on a sales comp analysis which included 17 sales over the past 24 months, the average cap rate was 4.90% with a 76 basis-point spread over the 10-year treasury rate.

14. Distribution Waterfall

Operating Cash Flow
1. To **MH Investor**, an LLC established as part of the Momentum Fund, until MH Investor has received the then outstanding cumulative Preferred Equity Preferred Return on the Preferred Equity Investment.
2. To the **Sponsor.**
Cash from Sale or Refinancing
1. To **MH Investor** until MH Investor has received the then outstanding cumulative Preferred Equity Preferred Return on the Preferred Equity Investment.
2.To **MH Investor**, until MH Investor has received the return of the then outstanding Preferred Equity Investment.
3.To the **Sponsor**, until the Sponsor has received (after taking into account any prior distributions made to the Sponsor under the Net Cash Flow Distribution Waterfall) an internal rate of return with respect to the Total Sponsor Equity equal to the Preferred Equity Preferred Return Rate plus an additional spread of up to 1,000 basis points as determined by MassHousing.
4. Thereafter, to **MH Investor** and the **Sponsor** in accordance with their respective Venture Capital Percentages unless otherwise agreed to.

15. Assessment of Equity Investment

Development Strengths

1. Experienced development team with a track record in this market.
2. Central location, immediately adjacent to the Grafton MBTA Commuter Rail station and in close proximity to major arteries and highways, and regional employment center.
3. Marketable unit features and high standard amenities that competitively position the Development within the submarket compared to existing properties.

Risks and Mitigants

Residential Rent Level Risk. The site is untested for multifamily rental developments. The nearest comparable property is adjacent to a major roadway and approximately 3 miles from the subject site.

Mitigants:

a. Occupancy levels for comparable properties range in this submarket range between 94-97% occupancy. The market rents are being underwritten at a 7.0% vacancy level, which is higher than historic vacancy levels at comparable properties in the subject market.

b. The subject property is the first market-rate, residential development in this submarket in the last five years. The Development's desirable amenities create a market advantage over comparable properties.

c. The average unit sizes of the subject property are slightly larger than comparable properties, and offer amenities and services not available at comparable properties in the Development's submarket.

16. Developer Fee Overview

This proposal includes a paid developer fee of $2,381,471, which the Sponsor proposes to disburse as follows:

> 100% ($2,381,471) to be paid in 26 equal installments throughout the 26-month construction period.

The Sponsor has incurred direct overhead costs of approximately $1,200,000 and costs associated with land acquisition, design, permitting, and carrying costs of approximately $3,800,000 over 3 years. Even after realizing this paid fee, the Sponsor still has unrecovered costs and will be incentivized to perform as the managing member.

The construction lender with whom the Sponsor is working has verbally consented to this agreement.

17. Exit Strategy

The FORGE Loan has a balloon repayment. While the Sponsor intends to hold the Development as a long-term investment, MassHousing has conducted an exit analysis considering both a refinancing scenario, as well as a potential sale scenario.

In both scenarios projected proceeds are sufficient to fully repay the outstanding mortgage balance and return equity invested through the Momentum Fund.

Sale Scenario		
Net Operating Income – 2038		$6,900,000
Cap Rate		5.75%
Valuation		$120,000,000
Sale Cost	3.0%	($3,600,000)
Debt Repayment		($53,000,000)
Net Sale Proceeds		$63,500,000
Return of Momentum Equity		($9,000,000)
Net Proceeds Available to Investors		**$54,400,000**
Refinance Scenario		
Total Value		$120,000,000
Interest Rate		6.25%
Amortization		40
Loan Amount		$80,000,000
LTV		67%
DSCR		1.25
Refinance Cost	2.5%	($2,000,000)
Existing Debt		($53,000,000)
Net Refinance Proceeds		$25,000,000
Return of Momentum Equity		($9,000,000)
Net Proceeds available to Investors		**$16,000,000**

18. Estimated First Year Income and Expenses

Income	
Affordable Gross Potential Residential Income	$935,904
Affordable Vacancy (5.0%)	($46,795)
Market Gross Potential Residential Income	$6,947,580
Market Vacancy (7.0%)	($486,331)
Gross Residential Income	$7,350,358
Other Income – Parking, Fees, Internet	$518,662
Effective Gross Income	$7,869,020

Expenses	
Residential Operating Expenses	$2,579,276
Net Operating Income	$5,289,744
Cash Flow	$1,055,524

Combined Debt Service Coverage 1.25

Residential Operating Expense Detail			*Per Unit*
Management Fee	3%	$241,801	$1,038
Administrative Costs		$630,750	$2,707
Maintenance Costs		$332,025	$1,425
Utilities: Electricity, gas, water & sewer		$326,200	$1,400
Real Estate Taxes		$699,000	$3,000
Insurance		$168,925	$1,250
Replacement Reserves		$52,425	$250
Total		$2,451,126	$11,070

Operating Expenses as a Percent of EGI 33%

19. Notes and Analysis

1. **Equity Sizing**. The Sources and Uses in this commitment proposal reflects a projected Momentum Equity investment amount of up to $9,000,000. The final equity amount and preferred rate will be set after Freddie Mac issues their loan commitment and the interest rate on the Loans is locked.

2. **Loan Sizing**. The Sources and Uses and MassHousing Financing Summary in this commitment proposal reflect a Projected Subordinate Loan amount of $5,910,000. The Votes below allow for an "Up To" Loan amount of $7,978,000. The final loan amount will be set after Freddie Mac issues their loan commitment and the interest rate is locked, such that the combined debt service coverage ratio as well as loan to value benchmarks will be met and the Subordinate Loan will be no greater than 10% of the Loans.

   To the extent that the final subordinate loan amount is greater or less than $5,910,000, MassHousing will confirm that other sources will be adjusted as necessary to maintain a balanced sources and uses.

3. **Other Income.** Other Income is inclusive of garage income, internet, water and sewer reimbursements, and miscellaneous administrative fees. Underwritten other income is based on the borrower's projected budget, which appears reasonable when compared to similar newly developed assets.

4. **Third Party Reports.** Under the Origination and Underwriting Agreement between Berkadia and MassHousing, Berkadia will commission all third-party reports as part of its diligence review. MassHousing will be an intended user of these reports and to the extent that any of the reports change the underwritten rents, loan-to-value, or replacement reserve deposits, the loan size may be adjusted accordingly.

Claremont Grafton

VOTES AND FINDINGS

PROPOSALS AND VOTES

Mortgage Loan

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

VOTED: To approve the findings and determinations set forth below and to authorize a permanent second mortgage loan in an approximate principal amount of $5,910,000, or such other amount as evidenced in the Freddie Mac loan commitment, subject to the limitation that the final amount of such loan shall not be more than $7,978,000 nor less than $3,841,000, to be made to Claremont Grafton LLC or another single-purpose entity controlled by Claremont Companies or Edward Carney (the “Borrower”) as owner of the multifamily residential development known as “Claremont Grafton” (the “Development”) and located in Grafton, Massachusetts, provided together with, and made subordinate to, a first mortgage loan to the Borrower by Freddie Mac, (1) to be funded from that portion of the Opportunity Fund approved by the Members of MassHousing on September 10, 2024, designated and reserved for MassHousing’s Bringing Innovation to Lending and Development (BILD) strategies, including the Momentum Equity product and FORGE loan product, and (2) in accordance with the applicable general closing standards and delegations of authority previously approved, and further subject to (a) compliance with all applicable laws and all regulations and requirements of applicable financing programs, and (b) the following special conditions: None.

Momentum Equity

Staff has reviewed the proposal for momentum equity financing and proposes the following vote for approval by the Agency:

VOTED: To approve and authorize an investment, and the creation of any entities necessary to effectuate such investment, of Momentum Equity in an approximate amount of up to $9,000,000, to a to-be-determined single-purpose entity, jointly controlled by a MassHousing affiliate entity and an entity controlled by Claremont Companies, or its principal Patrick Carney, such that MassHousing will hold a preferred equity investment in the multifamily residential development known as “Claremont

Grafton" (the "Development") and located in Grafton, Massachusetts, and in accordance with the requirements of the Momentum Equity program and any requirements related to such program (including such documentation as the General Counsel may require), the delegations of authority previously approved, and further subject to compliance with all applicable laws and all regulations and requirements of applicable financing programs.

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-seven units (20%) 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 May 15, 2025. Further, the reader is cautioned and reminded that any observations, comparisons, and/or conclusions are based on the data as of the indicated collection date.

In-house data for larger market and mixed-income complexes (approximately 1,122 units) in the area revealed a strong rental market. Current occupancy rates of the five comparable properties reviewed averaged approximately 96.4%, and range between 93% and 100%. One comparable was offering 6 months free parking.

Second Qtr. 2025 CoStar data for the subject's Southeast Worcester County submarket (3,521 units) have an overall vacancy rate at 8.8% YTD, which is an increase of 2.66% from one year ago. CoStar data for the Worcester market (32,795 units) has an overall vacancy rate of 4.7% YTD, which is a decrease of .29% from one year ago. The Southeast Worcester County submarket vacancy rate is projected to decrease to 6.7% over the next five years, and the Worcester Market is projected to decrease to 3.7%.

CoStar, submarket data for the 4-5 Star building type (631 units) indicates a 2nd Qtr. 2025 vacancy rate of 26.6% and an average asking rent of $2,632, while submarket data for the subject's 3 Star building type (1,342 units) indicates a 2nd Qtr. 2025 vacancy rate of 5.0% at an average asking rent of $2,489 and 1-2 Star buildings (1,548 units) indicates a 2nd Qtr. 2025 vacancy rate of 5.0.% at an average asking rent of $1,765. 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 (6/29/23), the Town of Grafton has 7,740 year-round housing units, 428 (5.53%) of which are subsidized for low/moderate-income households.

Further, the Grafton Housing Authority (GHA) owns and /or operate 3 state subsidized properties, which includes 128 units 60 and older, six houses of family housing and 16 units for Veterans.

Per the representative, they utilize the CHAMP wait list and there are over 57,000 applicants on the list. They do not administer any Section 8 Housing Choice Vouchers.

U.S. Census data from the 2019-2023 American Community Survey (ACS) indicates that of the 5.220 households in the Town of Grafton approximately 49.6% earned less than the HUD published 2025 AMI ($122,200), approximately 14.3% earned less than 50% of 2025 AMI, approximately 19% earned less than 60% of the 2025 AMI, and approximately 35.1% earned less than 80% of the 2025 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 will change neither the current income mix of the Development or that of its surrounding locality.

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	**Studio**	**1 BR**	**1 BR Large**	**2 BR**	**2 BR w/ Den**	**2 BR Large**	**3BR**
Number of Units	12	104	5	81	13	5	13
Net SF/Unit	595	783	936	1,104	1,151	1,446	1,320
Elevator Y/N	Y	Y	Y	Y	Y	Y	Y
Market Rate Rent (10% Rate 20 Yr. Term)	$3,147	$3,401	$3,865	$3,817	$4,315	$4,435	$4,354
MHFA Below Market Rent (Cost-Based Rent)	$2,308	$2,561	$3,025	$2,977	$3,475	$3,595	$3,514
MHFA Adjusted Rent				30% of 80% of AMI			
Underwriting Rents							
Market	$2,475	$2,810	$3,025	$3,370	$3,475	$3,595	$3,995
80% of AMI	$1,470	$1,635		$1,780			$1,911

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.

EXHIBIT A
Map and Picture

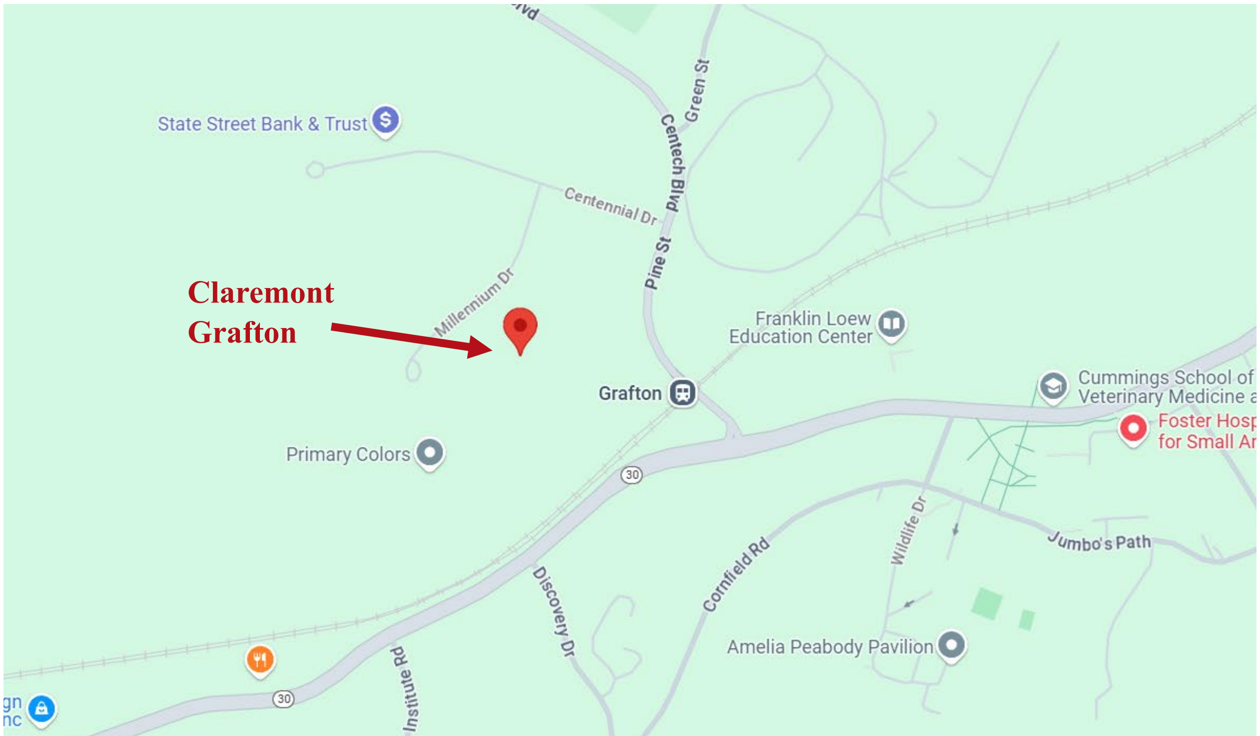


EXHIBIT B
Priority Screening Criteria

1. **Readiness and Eligibility**
   a. Project Readiness. The Developer secured the necessary local zoning and permitting approvals, retained a general contractor with a firm construction bid proposal, identified construction period financing sources and assembled the entire development team.
   b. Completeness of Submission. The Developer has provided all requested preliminary due diligence materials related to project information, development plans and related reports, and sponsor/principal information.
   c. Affordability Level Eligibility. Twenty percent of the units (47 units) will be income restricted for households earning up to 80% of the Area Median Income ("AMI").

2. **Project Costs & Investment Efficiency**
   a. Cost Efficiency (Units per Dollar). The total development cost is $89,865,835, which is approximately $385,690 per unit.
   b. Investment Efficiency (Size of Ask) The investment level of Momentum Equity in the project represents 29% of the project's total equity.

3. **Impact and Additionality**
   a. Local Impact on Housing Opportunity
   As of the 2020 census, the Town of Grafton had 365 SHI (Subsidized Housing Inventory) units. With the addition of 47 affordable units from this development, the total number of affordable units in the community will increase by 12.8%.

   b. Additionality of Investment ("but for")
   Without the investment of Momentum equity in this transaction, the project will have an overall project IRR of approximately 8.26% over a 13-year term. With the investment of Momentum equity as part of the project's financing structure, the project does not incur an excessive refinance shortfall and will be able to generate an overall project IRR of 9.32% over a 13-year term, which is an improvement by 13%.

   c. Diversity & Inclusion

   The project's design team is comprised of several professional firms, one of which has senior principals/owners of diverse representation. In addition, several of the subcontractors of the project's construction team have senior principals/owners of diverse representation.

d. Climate Alignment

The project aligns with a Stretch Energy Code requirement, prioritizing energy conservation and incorporating EV charging stations. Additionally, it features natural tree-lined screening between the development and the train station.

EXHIBIT C- Market Rent Comparables

	Subject	Comp Average	1	2	3	4
Property Name	Claremont Grafton		Bell Shrewsbury	Edgemere Crossing	Parc Westborough	Audubon Shrewsbury
Property Address	5 Millennium Dr, North Grafton, MA 01536		35 Harrington Ave, Shrewsbury, MA 01545	100 Flint Pond Cir, Shrewsbury, MA 01545	346 Turnpike Rd, Westborough, MA 01581	890 Hartford Turnpike, Shrewsbury, MA 01545
		Comp Average				
# of Units	233	250	250	250	249	251
Year Built	2027	2015	2017	2022	2016	2006
Distance (miles)	0		5.6	3.2	4.0	2.8
	0x1	**Studio**	**0x1**	**0x1**	**0x1**	**0x1**
Avg. Rent	$2,475	$2,296	$2,296			
Square Feet	595	584	584			
Avg. Rent/SF	$4.16	$3.93	$3.93			
	1x1	**1 Bed**	**1x1**	**1x1**	**1x1**	**1x1**
Avg. Rent	$2,810	$2,598	$2,765	$2,550	$2,575	$2,500
Square Feet	783	747	758	732	792	707
Avg. Rent/SF	$3.59	$3.48	$3.65	$3.48	$3.25	$3.54
	2x2	**2 Bed**	**2x2**	**2x2**	**2x2**	**2x2**
Avg. Rent	$3,370	$3,199	$3,515	$3,155	$2,955	$3,171
Square Feet	1,104	1,081	1,132	1,077	1,055	1,059
Avg. Rent/SF	$3.05	$2.96	$3.11	$2.93	$2.80	$2.99
	3x2	**3 Bed**	**3x2**	**3x2**	**N/A**	**3x2**
Avg. Rent	$3,995	$3,868	$3,760		$3,975	
Square Feet	1,320	1,423	1,434		1,411	
Avg. Rent/SF	$3.03	$2.72	$2.62		$2.82	
Utilities	Submetered					
Parking	Surface Parking Included - Garages for Rent					
Notes	Property will be newest delivery in the market with the most current finishes, layouts, and amenities. Property provides immediate access to MBTA stop.		Bell Shrewsbury is an 8 year old property with relatively small amenity areas and older style finishes.	3 story walkup product- no elevators. Smaller amenity area, less elevated finishes	9 Year old property. Vinyl siding on the exteriors, older-style finishes in the interiors.	19 Year old property. Recently renovated, but rug floorings, outdated washer/dryer, vinyl siding, outdated gym, outdated unit layouts.

Delinquency Summary Report

May 31, 2025

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
40B	NEF - 40B	1	$8,200,000	0	$0	0.00%	0.00%
40B - Total		1	$8,200,000	0	$0	0.00%	0.00%
INDEP	Options for Independence	17	$314,134	0	$0	0.00%	0.00%
INDEP - Total		17	$314,134	0	$0	0.00%	0.00%
OTHER	Other Subordinate Only	1	$973,627	0	$0	0.00%	0.00%
OTHER - Total		1	$973,627	0	$0	0.00%	0.00%
SECT8NONP	Project Based Section 8 - Not PBCA	4	$27,647,793	0	$0	0.00%	0.00%
SECT8NONP - Total		4	$27,647,793	0	$0	0.00%	0.00%
SECT8PBCA	Project Based Section 8 - PBCA	172	$3,061,334,425	0	$0	0.00%	0.00%
SECT8PBCA - Total		172	$3,061,334,425	0	$0	0.00%	0.00%
SECT8VOUCH	Project Based Section 8 Vouchers	28	$332,199,675	0	$0	0.00%	0.00%
SECT8VOUCH - Total		28	$332,199,675	0	$0	0.00%	0.00%
SHARP	SHARP/ RDAL	3	$43,560,737	0	$0	0.00%	0.00%
SHARP - Total		3	$43,560,737	0	$0	0.00%	0.00%
TAXCREDIT	Tax Credit (4% and/or 9%)	165	$1,533,863,556	1	$33,773,980	2.20%	0.61%
TAXCREDIT - Total		165	$1,533,863,556	1	$33,773,980	2.20%	0.61%
UNSUB	Un-Subsidized	22	$319,456,348	0	$0	0.00%	0.00%
UNSUB - Total		22	$319,456,348	0	$0	0.00%	0.00%
WORKFORCE	Workforce Housing	8	$80,049,767	0	$0	0.00%	0.00%
WORKFORCE - Total		8	$80,049,767	0	$0	0.00%	0.00%
		8	$160,013,373	0	$0	0.00%	0.00%
- Total		8	$160,013,373	0	$0	0.00%	0.00%
Overall - Total		429	$5,567,613,437	1	$33,773,980	0.61%	0.23%

Delinquency Detail by Investor

May 31, 2025
Delinquencies in Excess of: $1,000

Investor Segment	Segment Code	Investor Segment	Investor Pool	Loan Nbr	Project Id - Development Name	Total Rental Units	Original Loan Amt	Outstanding Loan Amt	Total Due & Uncollected - Delinquent	Past Due Installments
Escrow Division/Working Capital Fund	W001	Working Capital Fund	WCF Corporate	16-004-02	16-004 Pac 10 Lofts, Phase One	180	$18,000,000	$16,005,980	$16,057,580	1
Housing Bond Resolution	B001	Housing Bond Resolution	HOUSING BOND RES 2017D	16-004-01	16-004 Pac 10 Lofts, Phase One	180	$11,100,000	$11,100,000	$1,787,765	29
			HOUSING BOND RES 2022A-1	16-004-01	16-004 Pac 10 Lofts, Phase One	180	$6,668,000	$6,668,000	$1,073,948	29
Overall - Total						**180**	**$35,768,000**	**$33,773,980**	**$18,919,293**	

Delinquency Detail

May 31, 2025
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	$33,773,980	$18,919,293	29
Overall - Total			**180**	**$33,773,980**	**$18,919,293**	