Minutes of the Regular Meeting
of the Members of MassHousing and
Center for Community Recovery Innovations, Inc.
held on
February 10, 2026

The regular meeting of the Massachusetts Housing Finance Agency – doing business as MassHousing – and a special meeting of Center for Community Recovery Innovations, Inc. ("CCRI") was held on February 10, 2026. 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.

Participating remotely were the Members (by roll call):

Board Member	Present	Absent
Jeanne Pinado, Chair	X	
Carolina Avellaneda, Co-Vice Chair	X	
Michael Glover, Co-Vice Chair	X	
Ed Augustus, *ex officio*	X	
Bran Shim*	X	
Darnell Dunn	X	
Herby Duverné	X	
Tom Flynn	X	
Carmen Panacopolous	X	

**Designee of Matthew Gorzkowicz, ex officio*

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

The Chair indicated that the first order of business was the approval of the minutes of the previous meeting.

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

VOTED: That the minutes of the Regular Meeting held on January 13, 2026 are hereby approved and placed on record.

Bran Shim joined the meeting.

Chief Executive Officer's Report

Chief Executive Officer Chrystal Kornegay began her report by stating the Governor a announced $25 million investment through Down Payment Assistance to Massachusetts families and has asked MassHousing to develop a program and administer it. The program is meant to focus on moderate income people up to 100% AMI because we have a such a strong program for people below 100% AMI. Activity since 2018 when we started doing DPA has been very robust. Last year, nine out of ten MassHousing homebuyers used down payment assistance to buy their first home - five years ago it was four out of ten. As prices continue to rise and available stock gets narrower, DPA becomes critical for modest income families to access homeownership opportunities in the Commonwealth. The program is currently in design with an expectation of launching in April.

Ms. Kornegay continued her report with a summary of the Homeownership Tax Credit - one of the new provisions of the Affordable Homes Act. There has been talk at the Federal level about creating a homeownership tax credit as well, many of us were hoping that would pass when they passed the tax bill last July, however, it has not advanced to date. There are two states that have homeownership tax credits, Vermont has a small program and Ohio has a fairly new program that is in its early implementation.

The program is funded with $50 million, $10 million in tax credits annually for five years. The statute requires MassHousing to create a Homeownership Qualified Allocation Plan (HQAP) to be reviewed and approved by Executive Office of Housing and Livable Communities, which we have done. We are intending to launch this program in early April. To help get the word out, we will be partnering with the Federal Home Loan Bank of Boston for a webinar for their bank members. We are also going to do some targeted outreach so that developers can hear about this as well and had held two open house information sessions in the Fall.

Credits will be awarded in a competitive process following the criteria set out the HQAP. We expect to publish a draft of the HQAP for comment next week. Applications will be evaluated on a series of criteria, with readiness to proceed, financial feasibility, and strength of the development team among the primary factors.

Jeanne Pinado asked what is the targeted AMI for the program? Ms. Kornegay responded that it is 120%.

Ms. Kornegay then informed the Board that MassHousing was named as a finalist for the 2026 Ivory Prize for housing affordability in the Finance category for the BILD program. The Ivory Prize is a national award that recognizes innovative, scalable solutions to address housing affordability. We are one of the 25 finalists, and currently going through their finalist evaluation process that includes submitting a video and meeting with their advisory panelists. Winners will be announced on May 12.

Fiscal Year 2026 Mid-Year Results

Rachel Madden presented the Agency's FY26 Mid-Year Results.

Ms. Madden began by announcing that we are projecting to be $4.5 million net income positive (6.3%) against budget. She then noted that the presentation is based on data as of 12/31/25.

Total Production is currently projected to be $105 million above budget, driven by multi-family. Multifamily income, is currently projected to be slightly below budget. Although multifamily Lending Income is higher by $1.5 million, and Multifamily Servicing Income is higher by $1.3 million, it is offset by Multifamily Net Interest Spread being lower by $4.6 million – primarily the result of a number of payoffs coming in earlier than anticipated.

Single Family income is projected to be slightly lower by $435,000. Although servicing and lending income is projected to be higher, it is offset by lower Net Interest Spread and higher Servicing Rights Premiums. Ms. Madden noted that interest rates being lower results in less income to the Agency but is a positive for our borrowers and that the higher spend on Servicing Rights Premiums should be viewed as an investment in long-term income to the Agency.

Following the single family trends, the Mortgage Insurance Fund's production is on budget and income is projected to be $830K higher. Investment Income is higher by $745,000 - as older investments have rolled off, we have re-invested more aggressively and getting higher returns.

Ms. Madden continued with a summary of corporate income and expenses, excluding grant activity, noting that total income is projected to be $500K above budget and corporate expenses are projected to be $4 million under budget.

Grant Income is projected to be $22 million over budget, primarily due to Capital Magnet Fund additional funding which is approved but not yet received and additional funding for several existing programs, and $5 million from the Commonwealth that was deployed to offset the costs of our DPA program. Grant Disbursements are projected to exceed the original budget as a result of increases in production in various programs and the conversion of some programs from rolling applications to competitive rounds.

Ms. Madden also noted that the presentation includes industry data in the Appendix.

Ms. Pinado remarked that it was a good result and bottom line, well put together presentation, and opened the floor for questions.

Carmen Panacopolous offered congratulations to Ms. Kornegay for the nomination for the Ivory Prize and then asked Ms. Madden whether any income from the Homeownership Tax Credit Program is reflected in the projections for the next six months. Ms. Madden responded that it is not part of our projections as of this moment.

Ms. Panacopoulous then asked that if there was derived income in May or June, that those would be reflected when we talk about it in six months?

Votes Delegating Authority to Issue Multifamily and Single-Family Bonds and/or Notes

Rachel Madden presented delegation votes of authority to issue (i) Multifamily bonds and/or notes to finance up to $1.0 billion using a mix of fixed rate and/or hedged or unhedged variable rate debt; and (ii) Single-Family bonds and/or notes to finance up to $800 million using a mix of fixed rate and/or hedged or unhedged variable rate debt. and the attached report and analysis from cfX Incorporated, one of the Agency's financial advisors, with respect to any potential derivative contracts associated with Agency financings.

Ms. Madden began by stating that this is something that is presented to the Board every year. This is authorization for an 'up-to' limit for our programs. We try to give adequate capacity in the authorization to be agile enough to capture market opportunities as they might arise and are asking for up to $1.0 billion in authority for the multifamily program and $800 million for single-family. That does not mean that we intend to issue that full amount, but it gives us enough room that should market conditions allow or new deals come into the mix, that we would have enough capacity under your authorization to respond and issue the debt to fund those projects in a timely manner.

Ms. Pinado remarked that these are big numbers and asked what the typical range of borrowing for the programs has been.

Ms. Madden responded that recent history the authorization requests have been more in the range of $800 million, but that she is adding $200 million because of the recent changes in the tax-credit landscape to the traditional 50% test. On the single-family side, program issuance has fluctuated more and has been as low as $600 million but $800 million is a more efficient threshold and with the LIHTC changes, additional volume will be available on the single-family side too. We had a banner year several years ago where we exceeded $800 million, and with interest rates coming down, and the new programs that may spur on additional borrowing in the moderate income, we wanted to give ourselves capacity to be responsive to the new program driven production.

Mr. Glover asked whether the issuances are traditionally multiple issuances to get the aggregate or do we do single issuances. Ms. Madden responded that we do multiple issuances throughout the year.

Ms. Pinado asked with interest rates projected to go down potentially, whether we are projecting more variable rate debt. Ms. Madden responded that there may be a little more on the single-family side, where we tend to engage variable rate debt more frequently and are expecting a higher issuance amount, however, we're not expecting any significant change in the proportion of variable rate debt. She noted that the investment advisor's report is heavily weighted to addressing variable rate debt but only because it is the focus of the State Finance and Governance Board. She noted the rating agencies general look at variable rate thresholds up to 25% and even we issued the maximum referenced in the advisor's report, which is not expected, it would still just take us from 6% to 11%.

Colin McNiece mentioned that the Board Members may not have had the opportunity to see a revision to the Multifamily Vote that was posted and circulated earlier this afternoon. It is fairly minor revision to use more precise language to modify section 9 of the Multifamily Vote to define "authorized officer" in a manner that mirrors section 12 of the Single-Family Vote.

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

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

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

VOTED: to recess the MassHousing meeting at 2:38 PM

Center for Community Recovery Innovations, Inc. ("CCRI")

Chair Jeanne Pinado then called the Center for Community Recovery Innovations, Inc. ("CCRI"), meeting to order. Nicole Mikshenas presented recommendations and votes for FY2026.

Ms. Mikshenas summarized the applications, noting that two (2) complete applications were received for a total of $300,000 in funds requested. She explained the review process and summarized CCRI's past experience and history with each applicant. Ms. Mikshenas made recommendations for CCRI funds for the following organizations:

Gilly's House Inc.. Wrentham
Requests funding for acquisition of a property to create 10 units of affordable sober housing for men.

Recommendation: $150,000 Commitment expires September 30, 2027

Troubled Waters Inc. d/b/a The Bridge Club of Lowell, Lowell
Requests funding for acquisition of a property to create 29 units of affordable sober housing for veterans.

Recommendation: $150,000 Commitment expires September 30, 2027

Thomas Flynn remarked that this was fantastic work.

Ms. Panacoupolos asked whether there is a per unit maximum under the program. Ms. Mikshenas replied that it is not a per unit max per se, but a maximum per project and that it depends on what the expected use of the funds. For example, if an owner or organization is creating new housing we allow them to apply for up to $150,000 in the aggregate. If it is a renovation, the maximum threshold is $100,000. She noted there is also a 50% match requirement for each project. These two are well over that requirement with the matching funds.

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

VOTED: That the Center for Community Recovery Innovations, Inc. ("CCRI"), an affiliate of the Massachusetts Housing Finance Agency (the "Agency"), approve a grant in the amount of $150,000.00 to Gilly's House, Inc., in Wrentham, for the purposes described in the application, subject to the contingencies and requirements set forth in this recommendation.

FURTHER VOTED: That CCRI approve a grant in the amount of $150,000.00 to Troubled Waters Inc. d/b/a The Bridge Club of Lowell, in Lowell, for the purposes described in the application, subject to the contingencies and requirements set forth in this recommendation.

There being no other business, the CCRI meeting adjourned at 2:47 PM

Chair Pinado reconvened the MassHousing meeting at 2:48 PM.

Loan Committee

Woods at Wareham, Wareham

Tai Pope presented a proposal for Approval to Accept Assignment of a HUD-Issued Firm Commitment for FHA Insurance; Commitment of a First Mortgage Loan (the "New Loan"); Approval to Finance the New Loan through Issuance of a Ginnie Mae MBS, all as presented in the attached Board package.

Ms. Pinado remarked that it was great to see a property built in the 1970s still getting an "A" in physical condition, and that the renovation is probably long overdue.

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

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

There being no other business to consider, the meeting adjourned at 2:52 p.m.

A true record.

Attest.

____
Colin M. McNiece
Secretary

Materials:

- Minutes of the Meeting of January 13, 2026
- CEO's Report, February 10, 2026
- Board Package, February 10, 2026

Minutes of the Regular Meeting of
the Members of MassHousing held
on
January 13, 2026

The regular meeting of the Massachusetts Housing Finance Agency – doing business as MassHousing - was held on January 13, 2026. 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.

Participating remotely were the Members (by roll call):

Board Member	Present	Absent
Jeanne Pinado, Chair		X
Carolina Avellaneda, Co-Vice Chair	X	
Michael Glover, Co-Vice Chair	X	
Ed Augustus, *ex officio*	X	
Bran Shim*	X	
Herby Duverné	X	
Darnell Dunn	X	
Tom Flynn	X	
Carmen Panacopolous	x	

**Designee of Matthew Gorzkowicz, ex officio*

Carolina Avellaneda, acting as Chair, convened the meeting to order at 2:01 p.m.

The Chair indicated that the first order of business was the approval of the minutes of the previous meeting.

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

VOTED: That the minutes of the Regular Meeting held on December 9, 2025 are hereby approved and placed on record.

Chief Executive's Report

Chrystal Kornegay began her brief report with a summary of the 2025 Fourth Quarter activity, saying that twelve (12) deals were committed, and twenty-one (21) deals were closed for a total of $435 million in debt. Ms. Kornegay stated that it was a big year for MassHousing; with a special shoutout to the Legal Department, as this was the most deals closed in December, and most of the deals closed were at the end of December.

Ms. Kornegay then gave a brief status on the Third Floor Build Out; we needed more space for people and more space for meetings. There will be a large conference room space that can be divided into several smaller rooms; it is expected that the renovation will be completed in the Spring of 2026.

The next topic was announcing that MassHousing has its 60th birthday on September 8, 2026, with special events planned for the October Board Meeting, with different events planned to celebrate. Ms. Kornegay stated that as she gets more information she will let everyone know. There is also a planned update to the MassHousing website.

Accessory Dwelling Units ("ADU") Presentation

Mounzer Aylouche presented a new MassHousing program for Accessory Dwelling Units ("ADU") which will be coming soon, to address the housing shortage and rising housing costs. This program was made possible in August 2024 when Governor Healy signed legislation making ADUs a statewide solution to create critical rental stock and promote housing affordability. MassHousing is very well positioned to offer an ADU Mortgage Program, due to our relationships with community lenders and the ability to do loan servicing in-house.

Mr. Aylouche addressed some of the obstacles for homeowners seeking to build an ADU; such as owner preparedness and affordable financing. There is more need for homeowners to have information on building, permitting and financing ADUs. MassHousing's program anticipates that borrowers would come after doing online pre-development work, and have paperwork ready to apply.

Additionally, Mr. Aylouche said that there is not enough data regarding ADUs on appraisals. The solution is to collaborate with the Massachusetts Board of Appraisers and area realtors, for benchmarking samples, and for accurate evaluation.

Mr. Aylouche then addressed financing. He noted that for homeowners, building an ADU is an expensive transaction, coming in around $275 per square foot and that traditionally ADU financing relied on home equity lines of credit which are less available to low-moderate income owners. He then summarized the proposed criteria and guidelines for a new subordinate loan product in which part of the package would be structured as a 0% deferred loan. He noted that the Agency will use $5 million out of the $20 million designated in the Opportunity Fund to establish the program. Criteria will be as follows:

Mr. Aylouche concluded the presentation by saying that lender partner training will begin soon, with an intent to launch in late Spring followed by robust promotion in the summer. The program plans to start writing loans in Summer 2026.

The Chair commended Mr. Aylouche for the work, saying it was a good presentation, and asked if there were any questions.

Herby Duverné remarked that Mr. Aylouche did an excellent job and this presentation took 100% of his attention; he then asked regarding the costs of the loan and whether those costs could be folded into the loan. Mr. Aylouche responded, clarifying first, that the costs of the loan would include traditional loan costs such as the appraisal, closing costs, etc. The technical/pre-development expenses would not be included in the costs of the loan but it is expected that assistance for those costs or services with be available through other components of the Commonwealth's ADU initiative.

Ed Augustus added his appreciation for the ADU Program, he thought the MassHousing partnership with the technical assistance was excellent. He noted that there is a third leg to the Program, a design competition with Boston schools and local architects with cash prizes to the most acceptable plans, the most green design, with the intent of then making these designs free and downloadable so the Borrower can bring them to a contractor. This is going above and beyond to help the Borrower.

Loan Committee

900 Morrisey, Boston (Dorchester)

Mike Carthas presented a proposal for Commitment of a Tax-Exempt Supplemental Conduit Loan and Approval for the Use of Low-Income Housing Tax Credits, as presented in the attached Board package.

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

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

Residences at Quarry Hills, Milton

Brian Robinson presented a proposal for Commitment of Momentum Equity and Commitment of a Subordinate Loan, as presented in the attached Board package.

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

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

Devenscrest Village, Ayer

Tai Pope presented a proposal for Commitment of Workforce Housing Loan, as presented in the attached Board package.

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

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

PAC-10 Lofts, Phase One, Lawrence

Dan Staring presented a proposal for First Mortgage Modification; Approval of Level One Transfer of Ownership to New Managing Member; and Commitment of Asset Protection Loan, as presented in the attached Board package.

The Chair remarked that this was a really complicated restructuring, and without the hard work and diligence of all involved, it wouldn't have gotten to this point. She noted that there was a lot of discussion regarding this matter at Loan Committee, and that the MassHousing staff recommends the proposed actions.

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

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

There was none.

There being no other business to consider, the meeting adjourned at 2:44 p.m.

A true record.

Attest,

____
Colin M. McNiece
Secretary

Materials:

- Minutes of the Meeting of December 9, 2025
- CEO's Report, January 13, 2026
- Board Package, January 13, 2026

Minutes of the Regular Meeting of
the Members of MassHousing held
on
December 9, 2025

The regular meeting of the Massachusetts Housing Finance Agency – doing business as MassHousing - was held on December 9, 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.

Participating remotely were the Members (by roll call):

Board Member	Present	Absent
Jeanne Pinado, Chair	X	
Carolina Avellaneda, Co-Vice Chair	X	
Michael Glover, Co-Vice Chair	X	
Ed Augustus, *ex officio*	X	
Bran Shim*	X	
Herby Duverné	X	
Darnell Dunn	X	
Tom Flynn	X	
Carmen Panacopolous	X	

**Designee of Matthew Gorzkowicz, ex officio*

The Chair convened the meeting to order at 2:02 p.m.

The Chair indicated that the first order of business was the approval of the minutes of the previous meeting.

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

VOTED: That the minutes of the Regular Meeting held on November 12, 2025 are hereby approved and placed on record.

Ed Augustus joined the meeting.

Chief Executive's Report

Chrystal Kornegay began her brief report by discussing MassHousing's Pie in the Sky fundraiser. This year, MassHousing purchased 238 pies for staff members, an increase from last year's total. Ms. Kornegay noted that the fundraiser was a great success, benefiting both MassHousing staff and Community Servings.

She then addressed MassHousing's recent rating action from Moody's. As a debt issuer, MassHousing is regularly reviewed by Moody's and S&P. The agency's rating with Moody's was revised from stable to a positive outlook based on several factors. Moody's may issue an updated issuer rating in the spring after completing its review of MassHousing's 2025 reports.

Chair Pinado asked whether the rating had changed. Ms. Kornegay responded that it had not, but that a change could be possible due to the positive outlook. Moody's report highlights factors that could influence the rating. Both Chair Pinado and Ms. Kornegay expressed confidence in the agency's current rating.

Volume Cap Report

Mark Teden and Rachel Madden presented a report on the 2026 Volume Cap and the impact of the 25% test. Mr. Teden outlined several projected benefits of the 25% test, including:

- Addressing a backlog of deals with HLC funding
- Enabling more expedient closings of deals awarded by EOHLC
- Increasing the number of units financed annually from approximately 1,300 to 3,000
- Expanding the use of volume cap to support first-time homebuyers
- Allowing preservation transactions without EOHLC subsidies to access volume cap

Mr. Teden acknowledged potential capacity challenges across the industry and among stakeholders but emphasized this represents an exciting opportunity for MassHousing and is expected to have a generally positive impact.

Chair Pinado asked about the difference between the projected total development cost for 2026 and the pipeline total development cost. Mr. Teden explained that MassHousing typically carries more deals in the pipeline to account for those that may fall out during the year. Chair Pinado followed up by asking whether the gap is tighter than usual. Mr. Teden responded that only three deals in the pipeline currently lack HLC awards, down from ten in 2025.

Chair Pinado then asked how this shift might affect staffing. Mr. Teden noted that as large, complex construction projects are completed, the nature of the work will shift toward new loan production. He added that while incremental staffing changes may be needed, a wholesale change is unlikely.

Carmen Panacopolous asked how rising construction costs might affect the volume cap and deals in the 2026 pipeline. Mr. Teden replied that every deal is subject to cost pressure and that MassHousing has identified which deals in the pipeline have funding gaps. He noted that stakeholders are aware of their inclusion in the 2026 pipeline and should have sufficient time to work with partners to identify additional resources to fill gaps.

Ms. Panacopolous followed up with a question about the shift from preservation to new production and its impact on staffing, specifically whether existing staff can handle both types of deals. Mr. Teden responded that MassHousing does not currently have specialists and that underwriters and originators are equipped to manage both deal types.

Rachel Madden continued the presentation by highlighting the benefits of the 25% test for MassHousing’s single-family borrowers. She demonstrated its significant impact on individual borrowers and the single-family business line. The increased and recaptured volume cap will reduce mortgage interest rates by 0.55%, resulting in monthly savings of $118 and total savings of $42,365 over the life of the loan. Ms. Madden noted that these lower rates, combined with MassHousing’s Mortgage Insurance Plus offering, positively support low- and moderate-income families in achieving homeownership.

Ms. Madden concluded by emphasizing the geographic, racial, and economic diversity of first-time homebuyers benefiting from these offerings in 2025. She noted that 51% of loans went to homeowners in Gateway Cities and 54% to BIPOC homeowners. Additionally, a significant number of loans were made to homebuyers with incomes under 60% of AMI.

Chair Pinado expressed her appreciation for the number of loans made to households under the 60% AMI threshold, noting that the general perception is that homeownership is out of reach for this group. Ms. Madden agreed and highlighted the role of the DPA program in supporting these borrowers.

Ms. Panacopolous then asked about the limits of the Mortgage Insurance Plus program, specifically whether it was a one-time use or could be used again. Ms. Madden explained that there is a six-month limit on MassHousing’s coverage of the full mortgage and added that mortgage insurance premiums are covered by MassHousing for homebuyers under 60% AMI.

This concluded the report on Volume Cap.

Staffing Report

Jennifer Buss presented an update on the demographics of our staff. Ms. Buss highlighted that MassHousing was listed as an Energage Top Places to Work in the Financial Services Industry in 2025.

Ms. Buss reported that our gender distribution remains steady and the Agency has a balanced workforce with strong female representation, including in leadership roles. The Agency is ahead of external benchmarks on gender distribution which speaks to our ability to attract and retain women. Additionally, Ms. Buss reported that the level of ethnic diversity aligns with workforce trends and while leadership roles are less diverse, the Agency remains committed to creating a diverse leadership pipeline. Ms. Buss then reviewed the dispersion of age across the Agency, highlighting that MassHousing has a strong cohort of early and mid-career staff with a positive movement toward a more diverse workforce. The Agency has been seeing the expected retirement trends and is prioritizing training and succession planning to address the average tenure shift.

Ms. Buss concluded her presentation and opened the floor to questions.

Herby Duverné asked if the ethnicity breakdown was available for the departure data. Ms. Buss responded that it could be sent to him separately.

Mr. Duverné followed up with a question about succession planning. Ms. Buss responded that they are working on agency-wide succession planning. Chair Pinado added that there had been active succession planning in finance and audit.

Mr. Duverné concluded his questioning and thanked Ms. Buss for the great data.

Chair Pinado then called for a motion to recess the MassHousing meeting to conduct Votes Committing CCRI (Center for Community Recovery Innovations, Inc.) Funds.

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

> **VOTED:** to recess the MassHousing meeting and convene a meeting of CCRI.

Vote Committing CCRI Funds

Chair Pinado called the CCRI meeting to order. Nichole Mikshenas presented recommendations and votes for CCRI funds.

This cycle there were twelve applications received: six for consideration, one applicant withdrew, and two were not recommended. Three applicants are still working through getting their deals together. These are worthwhile projects but the applicants needed additional support so MassHousing is working with them to get their applications together for another round.

Ms. Mikshenas made recommendations for CCRI funds for the following organizations:

- Lowell House, INC D.B.A. Riverbend, Lowell
  - Request: $100,000
  - City/Town: Lowell
  - Units Preserved: 10
  - Population: Women
  - Project scope includes: Exterior renovation, front porch update, kitchen renovation and roof repair

- Steppingstone, Inc., Fall River
  - Request: $76,155
  - City/Town: Fall River
  - Units Preserved: 23
  - Population: Men
  - Project scope includes: Reconstruction of a back staircase, bathroom updates, a front deck renovation and an ADA compliance ramp replacement.

- Victory Programs, Inc., Brookline
  - Request: $200,000
  - City/Town: Brookline

- Units Created: 10
  - Population: Families, Women & children
  - Project scope includes: Acquisition and renovation. Victory Programs has sought out additional funding from other stakeholders to help fund this project. Property will be very helpful in some addressing the needs of programs for children and families that were created with the closure of Long Island.

- GAAMHA, Inc., Gardner
  - Request: $100,000
  - City/Town: Gardner
  - Units Preserved: 7 Units Created: 1
  - Population: Men
  - Project scope includes: Adding 1 more room, roof replacement, window replacement, a new electrical panel, mini splits, a bathroom renovation, and a new front porch.

- Casa Esperanza Inc., Boston
  - Request: $100,000
  - City/Town: Boston
  - Units Preserved: 6
  - Population: Women & children
  - Project scope includes: Kitchen and bathroom renovations, HVAC updates, roof repairs and cosmetic upgrades

- Link House, Inc., Amesbury
  - Request: $62,933
  - City/Town: Amesbury
  - Units Preserved: 25
  - Population: Men
  - Project scope includes: Kitchen/bathroom renovations, exterior updates, and a full fire escape replacement

Ms. Mikshenas concluded her presentation and there were no questions.

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

VOTED: That the Center for Community Recovery Innovations, Inc. ("CCRI"), an affiliate of the Massachusetts Housing Finance Agency (the "Agency"), approve a grant in the amount of $100,000 to Lowell House, INC D.B.A. Riverbend in Lowell, for the purposes described in the application, subject to the contingencies and requirements set forth in this recommendation.

FURTHER VOTED: That CCRI approve a grant in the amount of $76,155 Steppingstone, Inc., in Fall River, for the purposes described in the application, subject to the contingencies and requirements set forth in this recommendation.

FURTHER VOTED: That CCRI approve a grant in the amount of $200,000 Victory Programs, Inc., in Brookline, for the purposes described in the application, subject to the contingencies and requirements set forth in this recommendation

FURTHER VOTED: That CCRI approve a grant in the amount of $100,000 GAAMHA, Inc., in Gardner, for the purposes described in the application, subject to the contingencies and requirements set forth in this recommendation

FURTHER VOTED: That CCRI approve a grant in the amount of $100,000 Casa Esperanza Inc., in Boston, for the purposes described in the application, subject to the contingencies and requirements set forth in this recommendation

FURTHER VOTED: That CCRI approve a grant in the amount of $62,933 Link House, Inc., in Amsbury, for the purposes described in the application, subject to the contingencies and requirements set forth in this recommendation

Noting that there was no other business requiring action or discussion, Chair Pinado adjourned the Center for Community Recovery Innovations, Inc. (CCRI) meeting and reconvened the meeting of MassHousing.

Loan Committee

Exchange Salem Four, Salem

Michael Carthas presented a proposal for Official Action Status, Commitment of Permanent Tax-Exempt Loan, Commitment of a Tax-Exempt Bridge Loan, Commitment of Workforce House Subordinate Loan, and Approval for the Use of Low-Income Housing Tax Credits for Exchange Salem Four, in Salem.

No questions

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

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

Exchange Salem Nine, Salem

Michael Carthas presented a proposal for Commitment of a Taxable Permanent Loan for Exchange Salem Nine, in Salem

No questions

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

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

Cambridge Blanchard I, Cambridge

Jeffrey Geller presented a proposal for Official Action Status, Commitment of a Tax-Exempt Conduit Loan, and Approval for the Use of Low-Income Housing Tax Credits for Cambridge Blanchard I, in Cambridge.

No questions

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

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

Ed August left the meeting.

Warren Hall, Boston (Brighton)

Jeffrey Geller presented a proposal for Official Action Status, Commitment of a Tax-Exempt Construction/Permanent Loan, Commitment of a Tax-Exempt Construction Equity Bridge Loan, Commitment of a Taxable Construction Equity Bridge Loan, Commitment of a Workforce Housing Loan, and Approval for the Use of Low-Income Housing Tax Credits for Warren Hall in Boston (Brighton).

Chair Pinado asked if the acquisition price include the commercial space?
Mr. Geller answered yes.

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

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

Bran Shim left the meeting.

Woodland Cove Phase III, Wareham

John Collins presented a proposal for Transfer of Interests for Woodland Cove Phase III in Wareham.

No Questions

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

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

There being no other business to consider, the meeting adjourned at 3:05 p.m.

A true record.

Attest:

Colin M. McNiece
Secretary

Materials:

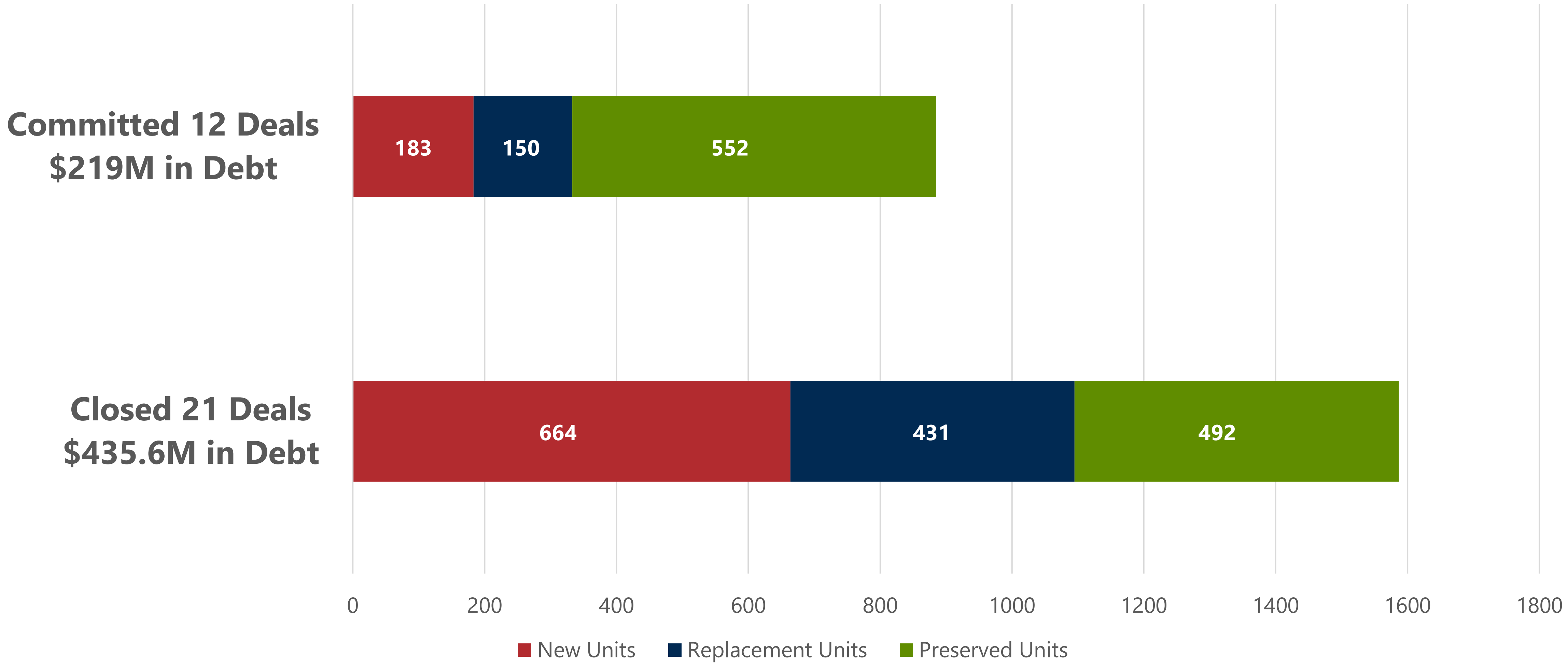
- Minutes of the Meeting of November 12, 2025
- Board Package, December 9, 2025

MassHousing

CEO Report

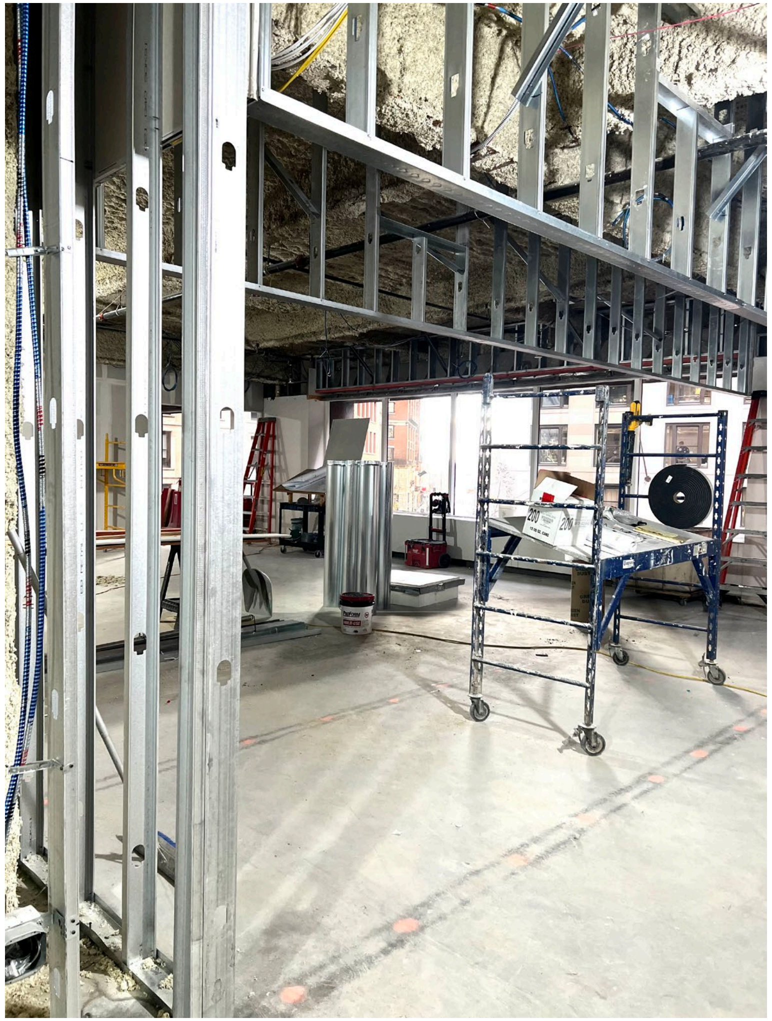
January 13, 2025

A Strong Q4 for Multifamily



MassHousing

3rd Floor Renovation Update



- Renovations on the 3rd floor space are **well underway**!
- The new 3rd floor will include a **large conference space** and **several meeting rooms**.
- The expected completion date is **late Spring 2026**.

60th Anniversary Celebrations

- MassHousing's official **60th birthday** is on **September 8, 2026.**
- To commemorate this milestone, we are planning a celebration for **Fall 2026**.
- More information will be shared as we approach the anniversary!

Thank You!

Questions? Comments?

MassHousing

Massachusetts Housing Finance Agency
One Beacon Street Boston, MA 02108

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

Posted: January 8, 2026 @ 12:15 p.m.
Secretary of the Commonwealth, Regulations Division
Executive Office for Administration & Finance
masshousing.com

NOTICE
of a Meeting of the Members

The regular meeting of MassHousing will be held:

Date: **Tuesday, January 13, 2026**

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/85853962853
The Zoom meeting ID is: Meeting ID: 858 5396 2853
The Zoom Passcode is: 151750

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 December 9, 2025

C. Chief Executive Officer's Report

D. Accessory Dwelling Units ("ADU") Presentation

2. **LOAN COMMITTEE**

A. 900 Morrissey, Boston (Dorchester)

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

B. Residences at Quarry Hills, Milton

- Commitment of Momentum Equity
- Commitment of a Subordinate Loan

C. Devenscrest Village, Ayer

- Commitment of a Workforce Housing Loan

D. Pac-10 Lofts, Phase One, Lawrence

- First Mortgage Modification
- Approval of Level One Transfer of Ownership to New Managing Member
- Commitment of Asset Protection 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 webinfo@masshousing.com. Please request accommodations as soon as possible but no later than 48 hours before a scheduled event so that we can have adequate time to accommodate your needs. Click here to view our Accessibility statement.

Steps to Join a Zoom Meeting

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

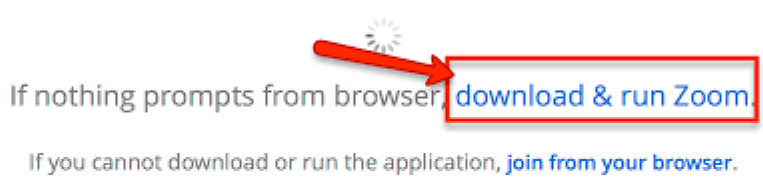
Join Zoom Meeting
https://zoom.us/j/6881564212

Meeting ID: 688 156 4212

One tap mobile
+13126266799,,6881564212# US (Chicago)
+16465588656,,6881564212# US (New York)

Dial by your location
+1 312 626 6799 US (Chicago)
+1 646 558 8656 US (New York)
+1 253 215 8782 US
+1 301 715 8592 US
+1 346 248 7799 US (Houston)
+1 669 900 9128 US (San Jose)
Meeting ID: 688 156 4212
Find your local number: https://zoom.us/u/acgfL1ziEv

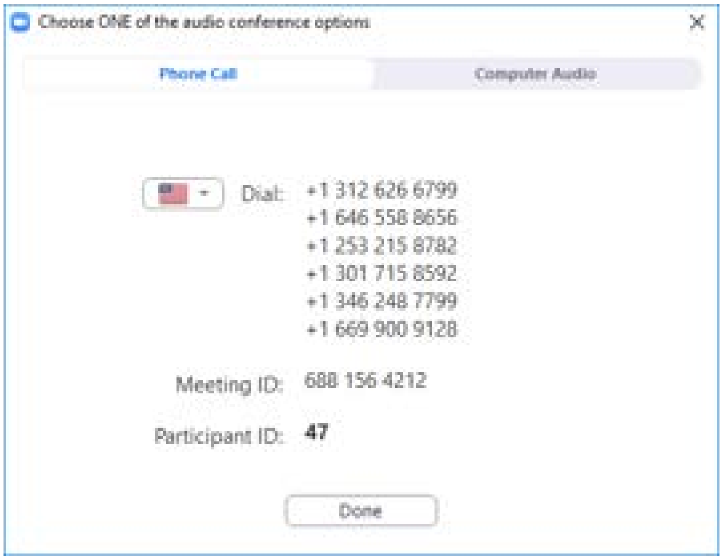
2. Click the link below 'Join Zoom Meeting'.
NOTE: Simply calling a phone number without "joining the Zoom meeting" will not allow you to see the presentation. Clicking on the link will automatically download the Zoom program (Image below)



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

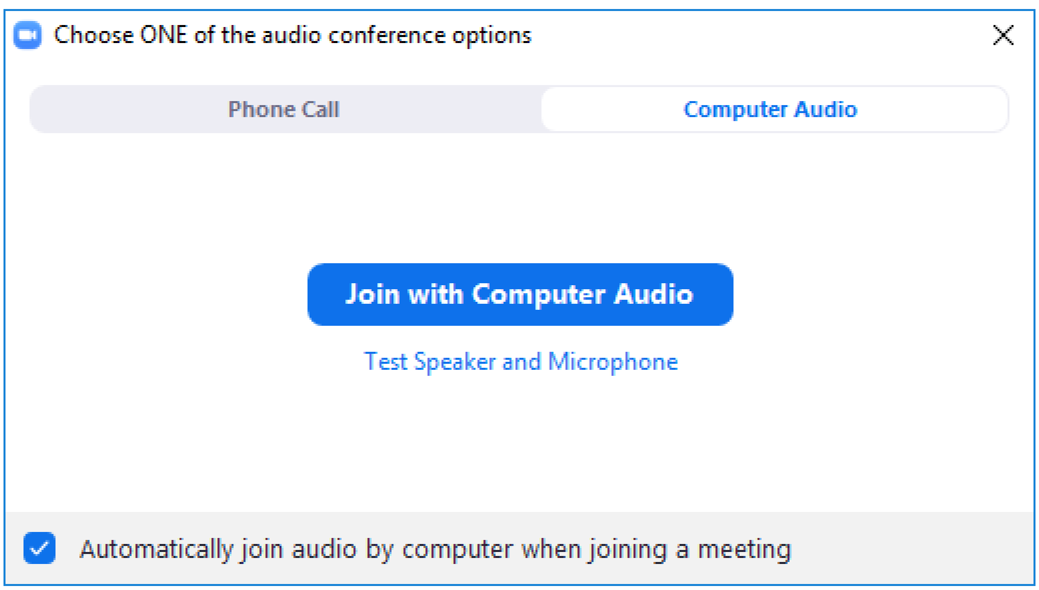
Steps to Join a Zoom Meeting

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



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
December 9, 2025

The regular meeting of the Massachusetts Housing Finance Agency – doing business as MassHousing - was held on December 9, 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.

Participating remotely were the Members (by roll call):

Board Member	Present	Absent
Jeanne Pinado, Chair	X	
Carolina Avellaneda, Co-Vice Chair	X	
Michael Glover, Co-Vice Chair	X	
Ed Augustus, *ex officio*	X	
Bran Shim*	X	
Herby Duverné	X	
Darnell Dunn	X	
Tom Flynn	X	
Carmen Panacopolous	X	

**Designee of Matthew Gorzkowicz, ex officio*

The Chair convened the meeting to order at 2:02 p.m.

The Chair indicated that the first order of business was the approval of the minutes of the previous meeting.

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

VOTED: That the minutes of the Regular Meeting held on November 12, 2025 are hereby approved and placed on record.

Ed Augustus joined the meeting.

Chief Executive's Report

Chrystal Kornegay began her brief report by discussing MassHousing's Pie in the Sky fundraiser. This year, MassHousing purchased 238 pies for staff members, an increase from last year's total. Ms. Kornegay noted that the fundraiser was a great success, benefiting both MassHousing staff and Community Servings.

She then addressed MassHousing's recent rating action from Moody's. As a debt issuer, MassHousing is regularly reviewed by Moody's and S&P. The agency's rating with Moody's was revised from stable to a positive outlook based on several factors. Moody's may issue an updated issuer rating in the spring after completing its review of MassHousing's 2025 reports.

Chair Pinado asked whether the rating had changed. Ms. Kornegay responded that it had not, but that a change could be possible due to the positive outlook. Moody's report highlights factors that could influence the rating. Both Chair Pinado and Ms. Kornegay expressed confidence in the agency's current rating.

Volume Cap Report

Mark Teden and Rachel Madden presented a report on the 2026 Volume Cap and the impact of the 25% test. Mr. Teden outlined several projected benefits of the 25% test, including:

- Addressing a backlog of deals with HLC funding
- Enabling more expedient closings of deals awarded by EOHLC
- Increasing the number of units financed annually from approximately 1,300 to 3,000
- Expanding the use of volume cap to support first-time homebuyers
- Allowing preservation transactions without EOHLC subsidies to access volume cap

Mr. Teden acknowledged potential capacity challenges across the industry and among stakeholders but emphasized this represents an exciting opportunity for MassHousing and is expected to have a generally positive impact.

Chair Pinado asked about the difference between the projected total development cost for 2026 and the pipeline total development cost. Mr. Teden explained that MassHousing typically carries more deals in the pipeline to account for those that may fall out during the year. Chair Pinado followed up by asking whether the gap is tighter than usual. Mr. Teden responded that only three deals in the pipeline currently lack HLC awards, down from ten in 2025.

Chair Pinado then asked how this shift might affect staffing. Mr. Teden noted that as large, complex construction projects are completed, the nature of the work will shift toward new loan production. He added that while incremental staffing changes may be needed, a wholesale change is unlikely.

Carmen Panacopolous asked how rising construction costs might affect the volume cap and deals in the 2026 pipeline. Mr. Teden replied that every deal is subject to cost pressure and that MassHousing has identified which deals in the pipeline have funding gaps. He noted that stakeholders are aware of their inclusion in the 2026 pipeline and should have sufficient time to work with partners to identify additional resources to fill gaps.

Ms. Panacopolous followed up with a question about the shift from preservation to new production and its impact on staffing, specifically whether existing staff can handle both types of deals. Mr. Teden responded that MassHousing does not currently have specialists and that underwriters and originators are equipped to manage both deal types.

Rachel Madden continued the presentation by highlighting the benefits of the 25% test for MassHousing's single-family borrowers. She demonstrated its significant impact on individual borrowers and the single-family business line. The increased and recaptured volume cap will reduce mortgage interest rates by 0.55%, resulting in monthly savings of $118 and total savings of $42,365 over the life of the loan. Ms. Madden noted that these lower rates, combined with MassHousing's Mortgage Insurance Plus offering, positively support low- and moderate-income families in achieving homeownership.

Ms. Madden concluded by emphasizing the geographic, racial, and economic diversity of first-time homebuyers benefiting from these offerings in 2025. She noted that 51% of loans went to homeowners in Gateway Cities and 54% to BIPOC homeowners. Additionally, a significant number of loans were made to homebuyers with incomes under 60% of AMI.

Chair Pinado expressed her appreciation for the number of loans made to households under the 60% AMI threshold, noting that the general perception is that homeownership is out of reach for this group. Ms. Madden agreed and highlighted the role of the DPA program in supporting these borrowers.

Ms. Panacopolous then asked about the limits of the Mortgage Insurance Plus program, specifically whether it was a one-time use or could be used again. Ms. Madden explained that there is a six-month limit on MassHousing's coverage of the full mortgage and added that mortgage insurance premiums are covered by MassHousing for homebuyers under 60% AMI.

This concluded the report on Volume Cap.

Staffing Report

Jennifer Buss presented an update on the demographics of our staff. Ms. Buss highlighted that MassHousing was listed as an Energage Top Places to Work in the Financial Services Industry in 2025.

Ms. Buss reported that our gender distribution remains steady and the Agency has a balanced workforce with strong female representation, including in leadership roles. The Agency is ahead of external benchmarks on gender distribution which speaks to our ability to attract and retain women. Additionally, Ms. Buss reported that the level of ethnic diversity aligns with workforce trends and while leadership roles are less diverse, the Agency remains committed to creating a diverse leadership pipeline. Ms. Buss then reviewed the dispersion of age across the Agency, highlighting that MassHousing has a strong cohort of early and mid-career staff with a positive movement toward a more diverse workforce. The Agency has been seeing the expected retirement trends and is prioritizing training and succession planning to address the average tenure shift.

Ms. Buss concluded her presentation and opened the floor to questions.

Herby Duverné asked if the ethnicity breakdown was available for the departure data. Ms. Buss responded that it could be sent to him separately.

Mr. Duverné followed up with a question about succession planning. Ms. Buss responded that they are working on agency-wide succession planning. Chair Pinado added that there had been active succession planning in finance and audit.

Mr. Duverné concluded his questioning and thanked Ms. Buss for the great data.

Chair Pinado then called for a motion to recess the MassHousing meeting to conduct Votes Committing CCRI (Center for Community Recovery Innovations, Inc.) Funds.

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

VOTED: to recess the MassHousing meeting and convene a meeting of CCRI.

Vote Committing CCRI Funds

Chair Pinado called the CCRI meeting to order. Nichole Mikshenas presented recommendations and votes for CCRI funds.

This cycle there were twelve applications received: six for consideration, one applicant withdrew, and two were not recommended. Three applicants are still working through getting their deals together. These are worthwhile projects but the applicants needed additional support so MassHousing is working with them to get their applications together for another round.

Ms. Mikshenas made recommendations for CCRI funds for the following organizations:

- Lowell House, INC D.B.A. Riverbend, Lowell
    - Request: $100,000
    - City/Town: Lowell
    - Units Preserved: 10
    - Population: Women
    - Project scope includes: Exterior renovation, front porch update, kitchen renovation and roof repair

- Steppingstone, Inc., Fall River
    - Request: $76,155
    - City/Town: Fall River
    - Units Preserved: 23
    - Population: Men
    - Project scope includes: Reconstruction of a back staircase, bathroom updates, a front deck renovation and an ADA compliance ramp replacement.

- Victory Programs, Inc., Brookline
    - Request: $200,000
    - City/Town: Brookline

- Units Created: 10
- Population: Families, Women & children
- Project scope includes: Acquisition and renovation. Victory Programs has sought out additional funding from other stakeholders to help fund this project. Property will be very helpful in some addressing the needs of programs for children and families that were created with the closure of Long Island.

- GAAMHA, Inc., Gardner
  - Request: $100,000
  - City/Town: Gardner
  - Units Preserved: 7 Units Created: 1
  - Population: Men
  - Project scope includes: Adding 1 more room, roof replacement, window replacement, a new electrical panel, mini splits, a bathroom renovation, and a new front porch.

- Casa Esperanza Inc., Boston
  - Request: $100,000
  - City/Town: Boston
  - Units Preserved: 6
  - Population: Women & children
  - Project scope includes: Kitchen and bathroom renovations, HVAC updates, roof repairs and cosmetic upgrades

- Link House, Inc., Amesbury
  - Request: $62,933
  - City/Town: Amesbury
  - Units Preserved: 25
  - Population: Men
  - Project scope includes: Kitchen/bathroom renovations, exterior updates, and a full fire escape replacement

Ms. Mikshenas concluded her presentation and there were no questions.

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

VOTED: That the Center for Community Recovery Innovations, Inc. ("CCRI"), an affiliate of the Massachusetts Housing Finance Agency (the "Agency"), approve a grant in the amount of $100,000 to Lowell House, INC D.B.A. Riverbend in Lowell, for the purposes described in the application, subject to the contingencies and requirements set forth in this recommendation.

FURTHER VOTED: That CCRI approve a grant in the amount of $76,155 Steppingstone, Inc., in Fall River, for the purposes described in the application, subject to the contingencies and requirements set forth in this recommendation.

FURTHER
VOTED: That CCRI approve a grant in the amount of $200,000 Victory Programs, Inc., in Brookline, for the purposes described in the application, subject to the contingencies and requirements set forth in this recommendation

FURTHER
VOTED: That CCRI approve a grant in the amount of $100,000 GAAMHA, Inc., in Gardner, for the purposes described in the application, subject to the contingencies and requirements set forth in this recommendation

FURTHER
VOTED: That CCRI approve a grant in the amount of $100,000 Casa Esperanza Inc., in Boston, for the purposes described in the application, subject to the contingencies and requirements set forth in this recommendation

FURTHER
VOTED: That CCRI approve a grant in the amount of $62,933 Link House, Inc., in Amsbury, for the purposes described in the application, subject to the contingencies and requirements set forth in this recommendation

Noting that there was no other business requiring action or discussion, Chair Pinado adjourned the Center for Community Recovery Innovations, Inc. (CCRI) meeting and reconvened the meeting of MassHousing.

Loan Committee

Exchange Salem Four, Salem

Michael Carthas presented a proposal for Official Action Status, Commitment of Permanent Tax-Exempt Loan, Commitment of a Tax-Exempt Bridge Loan, Commitment of Workforce House Subordinate Loan, and Approval for the Use of Low-Income Housing Tax Credits for Exchange Salem Four, in Salem.

No questions

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

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

Exchange Salem Nine, Salem

Michael Carthas presented a proposal for Commitment of a Taxable Permanent Loan for Exchange Salem Nine, in Salem

No questions

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

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

Cambridge Blanchard I, Cambridge

Jeffrey Geller presented a proposal for Official Action Status, Commitment of a Tax-Exempt Conduit Loan, and Approval for the Use of Low-Income Housing Tax Credits for Cambridge Blanchard I, in Cambridge.

No questions

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

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

Ed August left the meeting.

Warren Hall, Boston (Brighton)

Jeffrey Geller presented a proposal for Official Action Status, Commitment of a Tax-Exempt Construction/Permanent Loan, Commitment of a Tax-Exempt Construction Equity Bridge Loan, Commitment of a Taxable Construction Equity Bridge Loan, Commitment of a Workforce Housing Loan, and Approval for the Use of Low-Income Housing Tax Credits for Warren Hall in Boston (Brighton).

Chair Pinado asked if the acquisition price include the commercial space?
Mr. Geller answered yes.

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

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

Bran Shim left the meeting.

Woodland Cove Phase III, Wareham

John Collins presented a proposal for Transfer of Interests for Woodland Cove Phase III in Wareham.

No Questions

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

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

There being no other business to consider, the meeting adjourned at 3:05 p.m.

A true record.

Attest.

____

Colin M. McNiece
Secretary

Materials:
- Minutes of the Meeting of November 12, 2025
- Board Package, December 9, 2025

MassHousing's Proposed ADU Loan Program

Mounzer Aylouche

Vice President of HomeOwnership Progams

MassHousing

A Key Piece to the Housing Puzzle

- To address the **housing shortage and rising costs**, Massachusetts needs homes that serve **all life stages and household types**
- In August 2024, the Affordable Homes Act (AHA) made Accessory Dwelling Units (ADUs) part of the statewide solution
- The **state projects that 8,000–10,000 new ADUs** will be created to add critical rental stock and promote affordability
- ADUs are shifting from primarily supporting **aging-in-place** to generating **rental income for existing homeowners**
- MassHousing is well positioned to deliver an ADU mortgage program by leveraging **existing expertise in programs**, with loans **originated by approved community lenders and serviced at MassHousing**

Obstacles in the Market & Solutions

Obstacle	Solution
Limited affordable financing options	A MassHousing ADU loan program that utilizes **layering of funding sources** will prove to be **more affordable for an LMI borrower** than a comparable HELOC loan.
Homeowners lack technical assistance and guidance.	• Create a **statewide resource page.** • Partner with local **nonprofits/municipalities** for training and predevelopment support. • Borrowers to complete the pre-development process **before submitting an application** to a MassHousing ADU Lender.
Limited data in marketplace	Collaborate with **EOHLC and partners** to build a **centralized database** that enhances policy and program development to deliver a seamless customer experience, modeled after the strong, borrower-focused resources already available on the EOHLC website.
Appraisal challenges	• **Expand ADU properties** to increase available **comparable data** amid limited supply. • Work with industry associations to provide **case studies** and **benchmarking samples.**
Cost per sq. Footage	**Two loan options** to meet the varied cost of construction between detached and attached ADUs.

MassHousing

The Time is Now

ADU activity is accelerating

- ✓ From January–July 2025, **844 ADU applications** were filed across **170 communities**, with **550+ approved**.*
- ✓ Municipalities are **streamlining the zoning and permitting process**.
- ✓ **Boston's ADU Program** has funded **25 projects** (12 more in the pipeline) and provided **$7,500 technical assistance grants**.**
- ✓ Other cities (Worcester, Boston) and agencies (EOHLC, CEDAC, MassCEC, Lower Cape Housing) are **creating homeowner resource pages** and expanding support.
- ⚠ Potential borrowers need access to **technical assistance and clear information** about ADUs. Expanding statewide funding for this support would **help accelerate ADU construction.**

MassHousing

**Data from Mass.gov*
***Data From City of Boston*

ADU Loan Program Term Sheet

Key Features

🏠 Up to 95% CLTV financing

💵 Closing Costs Rolled In

🖊 Flexible Underwriting

✔ 640 Minimum Credit Score

🛠 MassHousing Services All ADU Loans

📋 Lender Manages Construction Disbursements and Oversight

ADU Loan Program	
Transaction Type	Subordinate Mortgage
ADU Type	Detached or Attached
Income Limits	Up to 135% of AMI
Loan Limits	Detached Units: Max of $150,000 Attached Units: Max $100,000
Loan Term	20 Years
Deferred Loan Match	Detached Unit: up to $100,000, 0% interest rate Attached Unit: up to $50,000, 0% interest rate
Occupancy / Eligibility	Existing property must be borrower's primary residence
Property Type	1 Unit
Max LTV/CLTV	95% / 95% of appraised value, “subject to” completion
Max DTI	50%
Minimum Credit Score	640
Closing Costs and Fees	Borrowers are responsible for all closing costs and fees which can be rolled into the loan amount not to exceed maximum CLTV

Next Steps

Lender Partner Training
January-March 2026

Community Partners Recruitment
Early Spring 2026

Program Launch
Late Spring 2026

Program Promotion
Summer 2026

Questions?
Comments?

Thank You!

MassHousing

Tax-Exempt Supplemental Conduit Loan Commitment Proposal | January 13, 2026

900 Morrissey

1. General Project Information	
Project Name	900 Morrissey
Project ID	23-137
Associated Projects	N/A
Address(es)	944 Morrissey Boulevard, Boston, MA 02122
Sponsor	The Community Builders, Inc.
Transaction Type	Production (4%)
Funding Type	Current – Conduit Private Placement
Execution Type	Conduit - Tax-Exempt
Credit Enhancement	None
Approval Type	Board
Total Rental Units	99
Affordability Mix	99 Affordable

2. Recommended Actions

- Commitment of Tax-Exempt Supplemental Conduit Loan
- Approval for the Use of Low-Income Housing Tax Credits

On May 14, 2024, the Agency approved a short-term conduit loan to The Community Builders, Inc. (the "Sponsor" or "TCB") to allow the Sponsor to access 4% LIHTC equity for the proposed financing of 900 Morrissey (the "Development"). The Development consists of the adaptive reuse of an existing hotel building located in Dorchester and will create 99 new affordable units.

Originally committed in the up to amount of $25,100,000, the tax-exempt bond proceeds were sized during the closing process to $24,400,000 to allow the Development to meet the minimum requirements of the Internal Revenue Code's 50% Test.

Since the start of rehabilitation in 2024, the Development scope was necessarily expanded to include the addition of firestopping measures, significant mold remediation, and roof replacement. As a result, total development costs have increased, and the approved amount of tax-exempt proceeds are insufficient to meet the 50% Test.

As such, the proposal seeks authority for an up to loan amount of $1,310,000, and corresponding volume cap increase with the final amount being the minimum necessary to meet the 50% test.

3. MassHousing Financing	
First Loan	
Type	Tax-Exempt Short-Term Conduit Loan
Loan Amount	Up to $1,310,000
Loan Term / Amortization	6 months / Interest Only

4. Updated Development Plan

Overall, the development plan is consistent with what was presented and approved in 2024 and has only been modified to include previously unforeseen items:

- During construction, the Sponsor learned that the building, constructed in 1985, did not include the code-required firestopping measures that were assumed to have been present during pre-construction and such measures were required to ensure safety and code compliance.
- Separately, mold growth was discovered behind vinyl wall coverings and paint, requiring mold remediation along with full window and sealant joint replacement.
- Lastly, it was determined the roof was compromised and needed a full replacement.

The above items resulted in a total of 41 additional construction contract days. The Development reached substantial completion in December 2025.

Permanent project sources have increased to cover the additional costs. The Development has been allocated additional State LIHTC, and will generate significant upward Federal LIHTC basis adjusters over the amount contemplated at construction closing. The Sponsor has also increased the amount of deferred fee and has secured additional soft debt.

At the closing of the additional tax-exempt proceeds, Eastern Bank, the construction lender, will draw down the entire amount of the tax-exempt bonds to pay for the construction costs or to reimburse costs already paid to meet the 50% Test. The bonds will remain outstanding for approximately six months and be repaid from Federal and State Tax Credit equity.

5. Borrower Team

The borrower team remains the same as originally presented and approved in May 2024.

Mortgagor Entity:	Morrissey Boulevard 121A Limited Partnership
Developer / Sponsor:	The Community Builders, Inc.
General Partner / Managing Member:	TCB Morrissey Boulevard 121A GP LLC
Construction Lender:	Eastern Bank, N.A.
Syndicator / Investor:	Raymond James Affordable Housing Investments
Management Company:	The Community Builders, Inc.
Architect:	BWA Architecture, Inc.
General Contractor:	Commodore Builders LLC

6. Summary of MassHousing-Sponsor Relationship

	Recorded	*Committed*	*Total*
Number of Projects with MassHousing Debt	20	3	23
Total Units with MassHousing Debt	1,974	472	2,446
Outstanding MassHousing Principal Debt	$247,234,044	$60,399,000	$307,633,044
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, The Community Builders, Inc. manages properties in the Sponsor's portfolio and offers management services outside the portfolio.		

MassHousing Staff	
Origination	Mike Carthas, Originator
Underwriting	Dan Staring, Underwriter Amelia Cruz-McDonough, Analyst
Asset Management	Daniel Discenza, Portfolio Manager Greta Appleton, Asset Manager

7. Unit Mix

Unit Size	Total Units	LIHTC-Eligible PBV Contract Rents		Market Comparison
		Count	*Rent*	*Rent*
0 BR	99	99	$2,433	TBD
Total	**99**	**99**		

Table for informational purposes only, rents shown represent contract rents at the time of the 2024 commitment.

Project-Based Rental Subsidy	
Type	Section 8
Term	20 y
Administrator	Boston Housing Authority
Lesser of Market or Contract. NA	

8. Operating Overview

Underwritten OpEx	$2,185,400 (approximately $22,100 per unit)

Basis of Operating Costs. MassHousing reviewed the Borrower-submitted operating budget during the initial underwriting and compared it to 140 Clarendon and 41 LaGrange Street, two MassHousing developments that provide a comparable level of comprehensive supportive services. The operating costs are in line with the comparable developments.

Table for informational purposes only, operating expense overview represents expenses at the time of the 2024 commitment.

9. Project Costs

Core Residential Costs	
Base	$53,826,553
Extraordinary	$2,567,000
Total	$56,393,553
Total Development Cost	
Total	$56,393,553

Project Construction Costs	
Total Construction Cost	$19,171,542
Construction per Square Foot	$457

Background on Extraordinary Costs. The high development costs are driven by the acquisition cost, which accounts for 40% of Total Development Cost ("TDC"). This cost is the result of the Sponsor purchasing the property at market rate and converting it into an affordable housing development.

10. Sources and Uses

Permanent Sources	2024 Closing Budget	January 2026 Commitment	Difference
Federal LIHTC Equity	$15,518,448	$17,206,363	$1,687,915
State LIHTC Equity	$15,600,000	$16,185,000	$585,000
City of Boston Subsidy	$10,000,000	$10,000,000	-
EOHLC ARPA Supportive Housing	$3,750,000	$3,750,000	-
EOHLC-ARPA-1 Rental	$1,520,198	$1,520,198	-
EOHLC AHTF	$2,750,000	$2,750,000	-
EOHLC HSF	$2,500,000	$2500,000	-
Developer Cash Equity	$100	$100	-
Developer Fee Deferred	$41,947	$1,405,973	$1,364,027
TCB Loan/FHLB	-	$605,100	$605,100
TCB Loan/HPN Grant	-	$125,000	$125,000
Interim Income (T-Mobile)	-	$21,122	$21,122
Accrued Soft Interest	-	$324,597	$324,597
Total Sources	**$51,680,693**	**$56,393,553**	**$4,712,860**

Permanent Uses	2024 Closing Budget	January 2026 Commitment	Difference
Acquisition	$22,746,676	$22,724,394	($22,282)
Construction	$13,791,651	$19,171,542	$5,379,891
Construction Contingency	$1,379,165	$635,912	($743,253)
General Development	$7,186,255	$7,284,760	$98,505
Capitalized Reserves	$3,149,634	$3,149,634	-
Developer Overhead (paid)	$3,385,364	$2,021,338	(1,364,027)
Developer Fee	$41,947	$1,405,973	$1,364,027
Total Uses	**$51,680,693**	**$56,393,553**	**$4,712,860**

Core Residential Uses of Funds	Total	Per Unit	Base Costs	Per Unit	Extraordinary Costs	Per Unit
Acquisition	$22,724,394	$229,539	$20,157,394	$203,610	$2,567,000	$25,929
Construction	$19,171,542	$193,652	$19,171,542	$193,652		
Construction Contingency	$635,912	$6,423	$635,912	$6,423		
General Development	$7,284,760	$73,583	$7,284,760	$73,583		
Capitalized Reserves	$3,149,634	$31,814	$3,149,634	$31,814		
Overhead	$2,021,338	$20,418	$2,021,338	$20,418		
Fee	$1,405,973	$14,202	$1,405,973	$14,202		
Total Residential Uses	$56,393,553	$569,631	$53,826,553	$543,702	$2,567,000	$25,929

Total Uses	$56,393,553

11. Underwriting

1. **Volume Cap:** The amount of the Supplemental Bond issue and corresponding volume cap required will be the minimum amount necessary to pass the 50% test.

12. 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.

900 Morrissey

VOTES AND FINDINGS

PROPOSALS AND VOTES

Loan Commitment

Staff has reviewed the development proposal for conduit financing and recommends the following votes for approval by the Agency Members:

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 $1,310,000, 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, the 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 Morrissey Boulevard 121A Limited Partnership or another single-purpose entity controlled by The Community Builders, Inc. or an affiliate (the “Borrower”) as owner of the multifamily residential development known as “900 Morrissey” (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.

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 "900 Morrissey" (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:
99 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 3, 2024. 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 1,858 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 94.2%, and range between 92% and 100%. One of the comparables reviewed was offering a rental concession of ½ months free rent to prospective tenants.

CoStar data for the subject's Roxbury/Dorchester Submarket (8,353 units) has an overall vacancy rate at 12.9% YTD, which is an increase of 6.66% from one year ago. CoStar data for the Boston market (273,522 units) has an overall vacancy rate of 5.6% YTD, which is an increase of .44% from one year ago. The Roxbury/Dorchester Submarket vacancy rate is projected to decrease to 12.2% over the next five years, while the Boston market is projected to decrease to 5.3%.

CoStar, submarket data for the 4-5 Star building type (2,643 units) indicates 2nd Qtr. 2024 vacancy rate of 20.0% and an average asking rent of $2,971, while submarket data for the subject's 3 Star building type (3,124 units) indicates a 2nd Qtr. 2024 vacancy rate of 6.6% at an average asking rent of $2,657 and 1-2 Star buildings(2,574 units) indicates a 2nd Qtr. 2024 vacancy rate of 13.3% at an average asking rent of $2,120. 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 Chapter 40B Subsidized Housing Inventory (6/29/23), 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 his time. The BHA also maintains a Public Housing Wait list with 28,703 applicants.

U.S. Census data from the 2017-2021 American Community Survey (ACS) indicates that of the 271,250 households in the City of Boston approximately 78.6% earned less than the HUD published 2023 AMI ($149,300), approximately 46.8% earned less than 50% of 2023 AMI, approximately 53.1% earned less than 60% of the 2023AMI, and approximately 65.6 %earned less than 80% of the 2023AMI.

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:

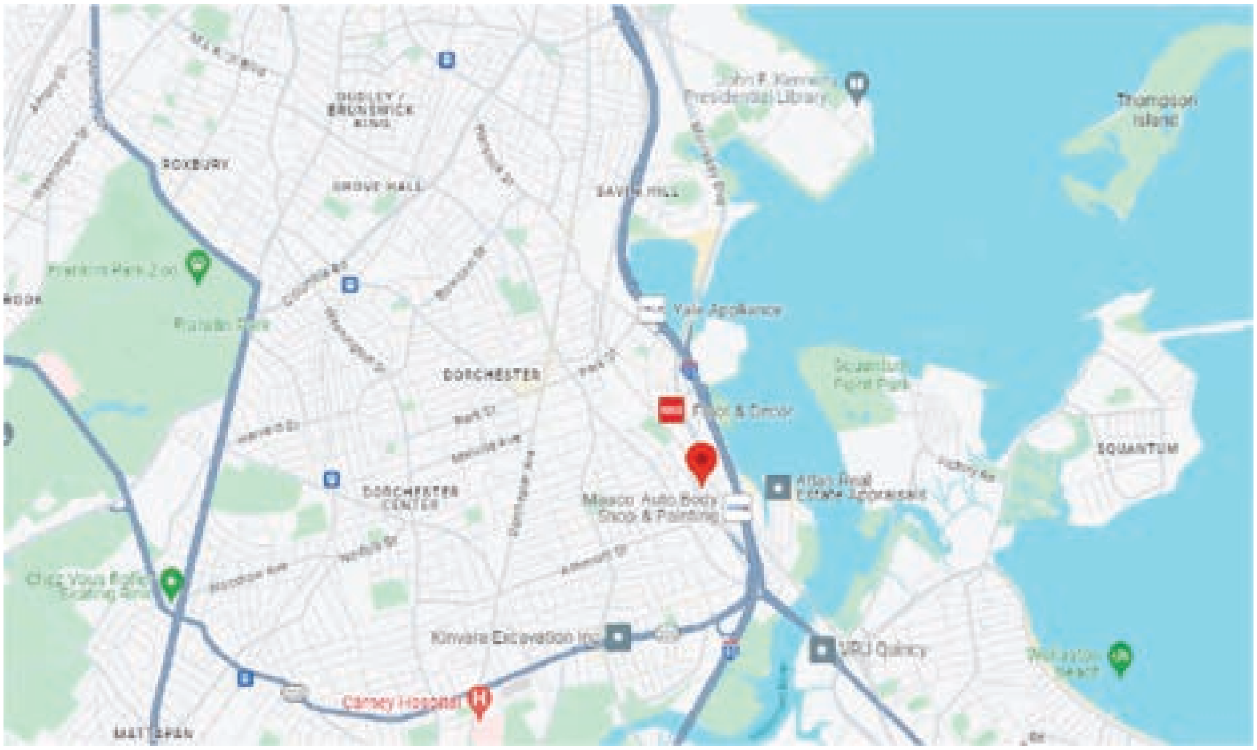
Pursuant to Section 6(a) of the Act, MassHousing makes the following rental determinations for units within the proposed Development:

Rent Schedule:

Number of Bedrooms		0
Number of Units		99
Net SF/Unit		350
Elev./Non-Elev.		E
Market Rate Rent (10% Rate 20 Year Term)		$2,433
MHFA Below Market Rent (Cost-Based Rent)		$2,433
MHFA Adjusted Rent	30% of 60% of AMI	
Underwriting Rents		
PBV 30% AMI		$2,433

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

MAP AND PICTURES



Loan Commitment Proposal | January 13, 2026

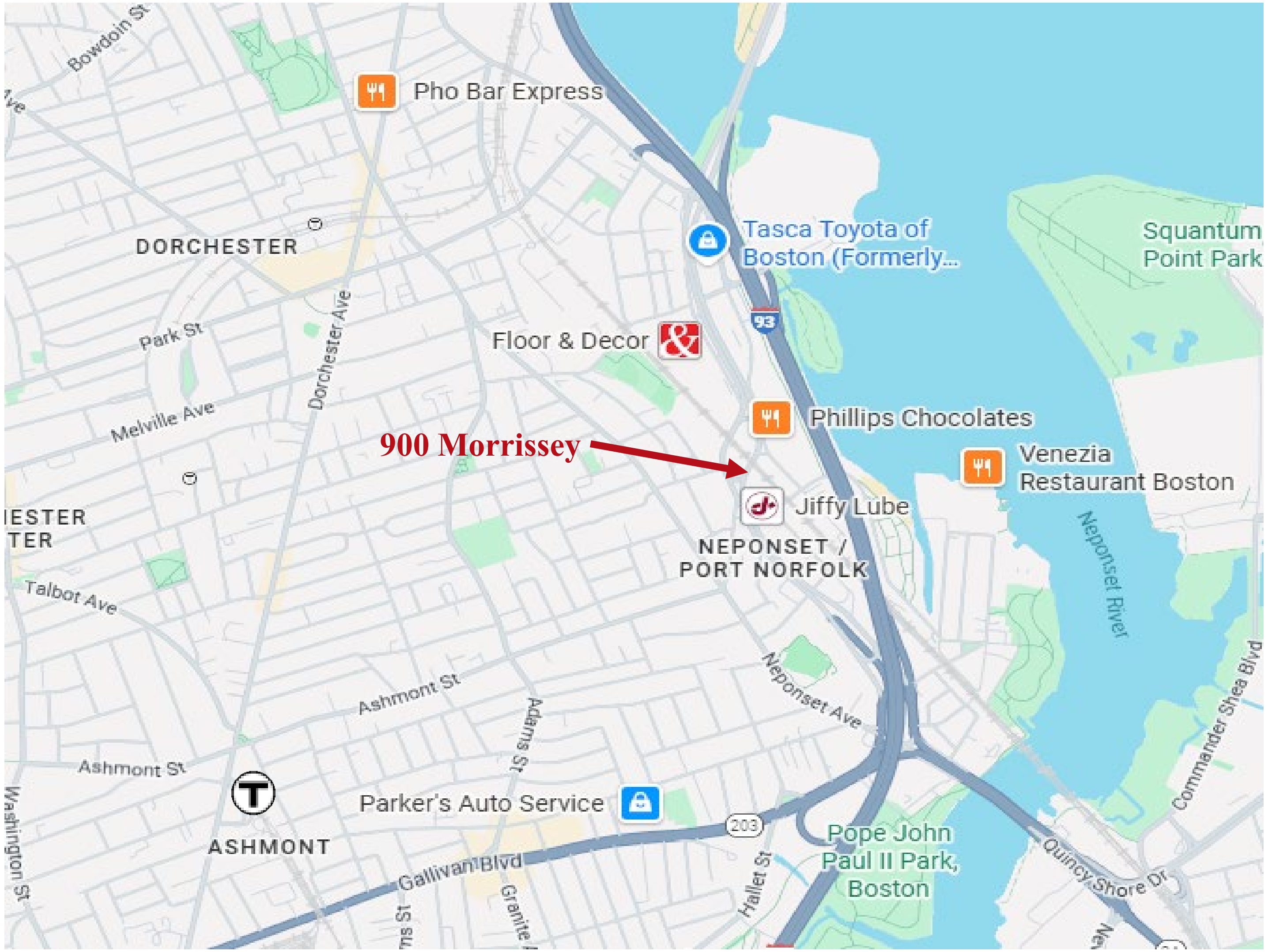
900 Morrissey

Location	944 Morrissey Boulevard, Boston, MA 02122
Sponsor	The Community Builders, Inc.
Transaction Type	Production (4%)
Funding Type	Current – Conduit Private Placement
Execution Type	Conduit Tax-Exempt
Credit Enhancement	None
Total Rental Units	99
Affordability Mix	99 Affordable

Deal Team Members	
Origination	Mike Carthas
Underwriting	Dan Staring, Amelia Cruz-McDonough
Asset Management	Dan Discenza, Greta Appleton

MassHousing

900 Morrissey | Boston



Borrower Team

Mortgagor Entity	Morrissey Boulevard 121A Limited Partnership
Developer / Sponsor	The Community Builders, Inc.
General Partner / Managing Member	TCB Morrissey Boulevard 121A GP LLC
Construction Lender	Eastern Bank, N.A.
Syndicator / Investor	Raymond James Affordable Housing Investments
Management Company	The Community Builders, Inc.
Architect	BWA Architecture, Inc.
General Contractor	Commodore Builders LLC

Unit Mix

Unit Size	Total Units	LIHTC-Eligible PBV Contract Rents Count	LIHTC-Eligible PBV Contract Rents Rent	Market Comparison
0 BR	99	99	$2,433	TBD
Total	**99**	**99**		

Table for informational purposes only, rents shown represent contract rents at the time of the 2024 commitment.

Project Costs

Core Residential Costs	
Base	$53,826,553
Extraordinary	$2,567,000
Total	$56,393,553
Total Development Cost	
Total	$56,393,553

Project Construction Costs	
Total Construction Cost	$19,171,542
Construction per Square Foot	$457

Sources and Uses

Permanent Sources	2024 Closing Budget	January 2026 Commitment	Difference
Federal LIHTC Equity	$15,518,448	$17,206,363	$1,687,915
State LIHTC Equity	$15,600,000	$16,185,000	$585,000
City of Boston Subsidy	$10,000,000	$10,000,000	-
EOHLC ARPA Supportive Housing	$3,750,000	$3,750,000	-
EOHLC-ARPA-1 Rental	$1,520,198	$1,520,198	-
EOHLC AHTF	$2,750,000	$2,750,000	-
EOHLC HSF	$2,500,000	$2500,000	-
Developer Cash Equity	$100	$100	-
Developer Fee Deferred	$41,947	$1,405,973	$1,364,027
TCB Loan/FHLB	-	$605,100	$605,100
TCB Loan/HPN Grant	-	$125,000	$125,000
Interim Income (T-Mobile)	-	$21,122	$21,122
Accrued Soft Interest	-	$324,597	$324,597
Total Sources	**$51,680,693**	**$56,393,553**	**$4,712,860**

Permanent Uses	2024 Closing Budget	January 2026 Commitment	Difference
Acquisition	$22,746,676	$22,724,394	($22,282)
Construction	$13,791,651	$19,171,542	$5,379,891
Construction Contingency	$1,379,165	$635,912	($743,253)
General Development	$7,186,255	$7,284,760	$98,505
Capitalized Reserves	$3,149,634	$3,149,634	-
Developer Overhead (paid)	$3,385,364	$2,021,338	(1,364,027)
Developer Fee	$41,947	$1,405,973	$1,364,027
Total Uses	**$51,680,693**	**$56,393,553**	**$4,712,860**

Underwriting Notes

1. Volume Cap

Recommended Votes

- Commitment of Tax-Exempt Supplemental Conduit Loan
- Approval for the Use of Low-Income Housing Tax Credits

BILD Financing Commitment Proposal | January 13, 2026

Residences at Quarry Hills

1. General Project Information	
Project Name	Residences at Quarry Hills
Project ID	25-045
Associated Projects	N/A
Address(es)	728 Randolph Avenue, Milton
Sponsors	Falconi Properties, LLC HP Homes LLC Agora Properties LLC
Transaction Type	Production
Funding Type	Forward Commitment of an Equity Investment Forward Commitment of a Subordinate Loan
Execution Type	Momentum Equity Financing Options for Residential Growth and Expansion (“FORGE”) Loan (Taxable)
Credit Enhancement	None
Approval Type	Board
Total Rental Units	40
Affordability Mix	10 Affordable 30 Market

2. Recommended Actions

- Commitment of Momentum Equity
- Commitment of a Subordinate Loan

3. Background

The proposed financing will support the development of Residences at Quarry Hills (the “Development”), a 40-unit mixed-income community located in the Town of Milton. A joint venture of Falconi Properties, LLC, HP Homes LLC, and Agora Properties LLC (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”).

4. Financing

Momentum Equity	
Type	Preferred Equity
Equity Investment Amount	Up to $2,500,000
Preferred Equity Return	10 Year Treasury Rate + 200bps (currently 6.55%)
Funding Timing	Stabilization
FORGE Loan	
Combined Loan Amount	$14,110,000
Loan Term / Amortization	10 y / 40 y
Forward Term	Up to 36 months
Combined Year 1 DSCR	1.25 projected (1.25 minimum)
Combined LTV	57% projected (80% maximum)
Funding Timing	Stabilization
Freddie Mac Loan	
Type	Taxable Freddie Mac Loan
Loan Amount	$12,699,000
Interest Rate	6.55% projected, locked in advance of closing*
MassHousing Loan	
Type	Taxable MassHousing Loan
Loan Amount	$1,411,000
Interest Rate	6.55% projected, locked in advance of closing*

**Assumes spread of 200bps for underwriting. Projected spread from Berkadia is 180 bps.*

5. Development Timing

Estimated Project Timing	
Sitework Construction Start Date - commenced	11/19/2025
Vertical Construction Start Date	2/15/2026
Completion of Building	4/1/2027
Building Fully Occupied	9/1/2027
Disbursement of FORGE Loan & Momentum Equity	12/1/2027

6. Development Plan

Description of Site. The Development will be located on a 1.6-acre parcel along Route 28 in Milton (the "Site"). The surrounding area contains residential and light commercial uses with Granite Links golf course and Milton Academy located within one mile of the Site. Amenities such as grocery stores, restaurants, and Blue Hills reservation are within a 15-minute drive in East Milton and Quincy.

The Site is situated in proximity to Interstate 93, an MBTA bus stop, and the Blue Hills Reservation.

Description of Existing or Proposed Building. The development plan involves the new construction of a 40-unit, four-story building with a total of 67,000 gross square feet and 39,000 net rentable square feet. The building will be serviced by a single elevator. The Development will include 26 surface parking spaces available to residents free of charge in the rear of the property and 33 garage parking spaces available for $150 per month. Site amenities include a fitness room, community space, EV charging stations, tenant storage lockers, and bike storage area.

Description of Affordability Mix. Twenty-five percent of the units (10 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 received a Comprehensive Permit on July 12, 2023, through the process outlined in Chapter 40B of the Massachusetts General Laws and is subject to associated requirements. MassHousing is the 40B subsidizing agency for the Development.

Site Control. Fee simple. Falconi Properties LLC acquired the site in 2024 and will transfer it to the Borrower at cost.

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.

7. Development Team

Mortgagor Entity: The Residences at Quarry Hills LLC

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

Developer / Co-Sponsor: Falconi Properties, LLC

Falconi Properties, LLC ("Falconi") specializes in the development, leasing and management of residential, office and retail assets in addition to the construction of luxury homes. The firm presently owns and manages more than 1,200 residential and commercial properties across Massachusetts' South Shore. Falconi is a family-owned and operated firm that was founded in 1952 and is based in Milton, Massachusetts. Falconi is additionally part of the ownership structure of the Residences at East Milton, which received approval for BILD financing in April 2025.

Co-Sponsor: HP Homes LLC

HP Homes LLC has 50 years of combined experience in the design, construction, and development of luxury homes, residential communities, and commercial assets. Led by Kyle Harnish and Brian Pasquantonio, HP Homes has successfully developed over $30,000,000 of real estate in Milton, MA, including a recent 5-lot subdivision named "Pine Gardens". Additionally, the company was the general contractor for Derby Street Shops in Hingham, The Great American Beer Hall in Medford, and projects at Milton Academy.

Co-Sponsor: Agora Properties LLC

Agora Properties is a Boston-based real estate investment company formed in 2013 by Sean McReynolds and Justin Smith to utilize their investment and operating experience, broad network of industry relationships, and financial sophistication to invest in New England based real estate assets. Sean McReynolds also serves as President of Joseph J. Corcoran Company LLC ("JJC Company"), a co-sponsor of Residences at East Milton, which received approval for BILD financing in April 2025. In addition, Sean McReynolds and Joe Corcoran, principals of JJC Company, are among the LP investors in this transaction.

Falconi Properties, LLC acquired the Site in 2024 after the previous owner had received 40B approval but was unable to secure financing. This acquisition was completed with assistance from JJC Company.

Falconi Properties has an established partnership with HP Homes and the two companies, along with Agora Properties, formed a joint venture to build the Development. While this will be HP Homes's first multifamily building as general contractor, Falconi Properties and Sean McReynolds have a proven track record of selecting qualified contractors and overseeing successful developments to completion.

Construction Lender: Metro Credit Union

Metro Credit Union ("MCU") is a not-for-profit financial cooperative that is owned by and operated for its members. Based in Melrose, the organization offers a wide range of low-cost financial products and services and is the largest state-chartered credit union in Massachusetts, with more than 220,000 members. MCU is acting as the construction lender on Residences at East Milton.

Investor(s): Equity will be provided by the Sponsor and passive investors known to the Sponsor.

General Contractor: HP Homes LLC

HP Homes is currently under review by Design & Construction as this will be its first project with MassHousing. HP Homes will also serve as a Sponsor for this project.

Architect: The MZO Group – Andrew Zalewski AIA

The MZO Group has offered comprehensive design services since 1990, specializing in single-family homes, multi-family developments, and commercial and institution projects. The MZO Group is currently under review by Design & Construction as this will be its first project with MassHousing.

Management Company: Corcoran Management Co., Inc.

Corcoran Management Company, Inc. ("CMC") is a division of John M. Corcoran and Company, a developer and builder of high-quality real estate. CMC has extensive experience managing a diverse portfolio of urban and suburban luxury housing. The portfolio includes market-rate, mixed-income, and affordable housing. Affordable programs managed include LIHTC, 40B, Section 8, IDP, and state and federal public housing. The current team at CMC has overseen the lease-up of more than 3,176 apartments in 21 properties over the past 15 years. CMC will be a third-party manager of the Development and is unaffiliated with the Sponsor. CMC will also manage Residences at East Milton and will share staffing across the developments.

8. Summary of MassHousing-Sponsor Relationship			
	Recorded	*Committed*	*Total*
Number of Projects with MassHousing Debt	0	1	1
Total Units with MassHousing Debt	0	92	92
Outstanding MassHousing Principal Debt	$0	$2,982,000	$2,982,000
Number of Projects with MassHousing Conduit Financing	0		
MassHousing Conduit Loans are Compliant with Program Rules	N/A		
Adverse Actions Against the Borrower Team	None		
Current on Obligations with MassHousing	N/A		
Property Management Affiliate	No		

MassHousing Staff	
Origination	Brian Robinson, Equity Originator Jeff Geller, Debt Originator Josh Combs, Analyst
Underwriting	Dan Staring, Underwriter Joe Bertolino, Underwriter
Asset Management	Dan Discenza, Asset Manager

9. Unit Mix with Preliminary Rents

Unit Size	Average Size (SF)	Total Units	80% of AMI MassHousing Statutory*			Unrestricted Market Rate**		
			Count	*Rent/sf*	*Rent*	*Count*	*Rent/sf*	*Rent*
1 BR	700	4	2	$3.54	$2,298	2	$4.92	$3,200
2 BR	1,000	32	6	$2.34	$2,689	26	$3.39	$3,950
3 BR	1,263	4	2	$2.38	$3,048	2	$4.22	$5,400
Total	**987**	**40**	**10**			**30**		

** 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. See Exhibit G for reference.*

10. Operating Overview

Underwritten Operating Expenses	$487,000 (approximately $12,200 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 MassHousing subordinate loan (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 for by tenants. All in-unit appliances and building systems will be electric. The operating expenses include $45,000 ($1,125 per unit) common area electrical, heat, water, and sewer costs.

11. Project Costs

Project Construction Costs	
Total Construction Cost	$14,250,000
Gross Square Footage	65,931
Construction per Gross Square Foot	$216
Construction per Unit	$356,250

12. Sources and Uses

Sources	Construction	per unit	Permanent	per SF	per unit
Construction Loan	$14,900,000	$372,500			
FORGE Loan			$14,110,000	$214	$352,750
Momentum Equity			$2,500,000	$38	$62,500
Common Equity	$6,220,756	$155,519	$4,510,756	$68	$112,769
Total	$21,120,756		$21,120,756	$320	$528,019

Uses		per SF	per unit
Acquisition	$2,700,000	$41	$67,500
Construction	$14,250,000	$216	$356,250
Contingency (5.5%)	$500,000	$8	$12,500
General Development	$3,005,938	$46	$75,148
Developer Overhead & Fee	$664,818	$10	$16,620
Total	$21,120,756	$320	$528,019

13. Construction Loan Detail

Sources	Position	Rate	Term	Amort.	Funding
Construction Loan	First	1-month CME SOFR + 2.75%	36 months	Interest Only	Construction

14. Equity Detail

Equity Breakdown	*Total*	*Percent of TDC*	*Percent of All Equity*
Total Equity	$7,010,756	33%	100%
Common Equity	$4,510,756	21%	64%
Momentum Equity (permanent only)	$2,500,000	12%	36%

Financial Assumptions	
Trending (annual)	3% revenue increase 3% expense increase
# of Units Pre-leased by 1st CO	5 Units
Monthly Absorption Rate	8 units per month
Sale or Exit Timeframe	120 Months after Project Stabilization
Key Performance Indicators*	
Sale or Exit Capitalization Rate	5.75%
Unlevered Return on Cost	5.85%
Operating Distributions to Paid-in-Capital	0.60x
Residual Value to Paid-in-Capital, net of investment	1.93x
Total Value to Paid-in-Capital	2.52x
Common Equity IRR	9.36%
Momentum Equity IRR	6.06%
Levered Average Project Cash-on-Cash	5.96%
Levered Average Sponsor Cash-on-Cash	5.66%
Break-Even Capitalization Rate	9.66%
Break-Even NOI	$1,159,932

15. Distribution Waterfall

Operating Cash Flow
1. To **MH Investor**, an LLC established as part of the Momentum Fund, and to the **Sponsor** in accordance with their respective Venture Capital Percentages until MH Investor has received the then outstanding cumulative Preferred Equity Preferred Return on the Preferred Equity Investment; (see section 15.1.b for commercial risk mitigant).
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.

16. Assessment of Equity Investment

Development Strengths

1. Experienced development team with a track record in this market.
2. Central location, immediately adjacent to the MBTA bus stop station and proximal to major arteries, highways, and regional employment centers.
3. Marketable unit features and high standard amenities that competitively position the Development within the submarket relative 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 92-96% 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 one of the first market-rate, residential developments in this submarket in the last five years. The Development's desirable amenities create a market advantage over comparable properties, such as, a fitness center, secured parcel room, bicycle storage, resident storage units, outdoor patio, and electric vehicle charging stations.

c. The average unit size of the subject property is relatively large compared to the average in the submarket (971 square feet, compared to 808 square feet) and the Development offers amenities and services not available at comparable properties in the submarket.

17. Developer Fee Overview

This proposal includes a paid developer fee of $664,818, which the Sponsor proposes to disburse as follows:

> First, 25% ($166,205) to be paid at construction closing;
> Second, 50% ($332,409) to be paid in 14 equal installments throughout the 14-month construction period;
> Third, 25% ($166,205) to be paid at construction completion.

The Sponsor has incurred approximately $4,500,000 in costs associated with land acquisition, design, permitting, carrying costs, and overhead over a 2-year period.

Common equity investors and the construction lenders under consideration by the Sponsor have all verbally consented to this agreement. This proposal recommends that MassHousing also consent to this developer fee structure.

18. 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 Momentum's invested equity.

Sale Scenario		
Net Operating Income – 2039		$1,610,833
Cap Rate		5.75%
Valuation		$28,014,495
Sale Cost	3.00%	($840,435)
Debt Repayment		($13,677,785)
Net Sale Proceeds		$13,496,275
Return of Initial Momentum Equity		$2,500,000
Net Proceeds Available to Investors		**$10,996,275**
Refinance Scenario		
Total Value		$28,014,495
Cap Rate		5.75%
Interest Rate		6.50%
Amortization		40
Loan Amount		$18,342,748
LTV		59%
DSCR		1.25
Refinance Cost	3.00%	($840,435)
Existing Debt		($13,677,785)
Net Refinance Proceeds		$3,824,528
Return of Initial Momentum Equity		($2,500,000)
Net Proceeds available to Investors		**$1,324,528**

**Both Sale and Refinance scenarios assume a 3% income and 3% expense trending.*

19. Estimated First Year Income and Expenses

Income	
Affordable Gross Potential Residential Income	$321,912
Affordable Vacancy (5.0%)	($16,096)
Market Gross Potential Residential Income	$1,438,800
Market Vacancy (7.0%)	($100,716)
Gross Residential Income	$1,643,900
Other Income – Parking, Fees, Solar	$90,180
Effective Gross Income	$1,734,080

Expenses	
Residential Operating Expenses (Annually)	$487,290
Net Operating Income	$1,246,790
Cash Flow	$250,716

Combined Debt Service Coverage	1.25

Residential Operating Expense Detail			*Per Unit*
Management Fee	3.5%	$62,051	$1,551
Administrative Costs		$50,000	$1,250
Maintenance Costs		$92,000	$2,300
Utilities: Electricity, gas, water & sewer		$45,000	$1,125
Real Estate Taxes		$189,126	$4,728
Insurance		$39,113	$978
Replacement Reserves		$10,000	$250
Total		$487,290	$12,182

Operating Expenses as a Percent of EGI	28%

20. Notes and Analysis

1. **Development Size.** While the BILD program guidelines include a 50-unit minimum size, agency staff propose waiving this guideline given the Development's location in a community that has limited affordable housing options.

2. **Equity Sizing**. The Sources and Uses in this commitment proposal reflects a projected Momentum Equity investment amount of up to $2,500,000. The final equity amount and preferred rate will be set after Freddie Mac issues their loan commitment and the interest rate on the Loans (as defined in Exhibit D below) is locked.

3. **Loan Sizing**. The Sources and Uses and MassHousing Financing Summary in this commitment proposal reflect a projected Subordinate Loan amount of $1,411,000. The Votes below allow for an "Up To" Loan amount of $1,905,000. The final loan amount will be set after Freddie Mac issues its 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 (as defined in Exhibit D below).

   To the extent that the final Subordinate Loan amount is greater or less than $1,411,000 MassHousing will confirm that other sources will be adjusted as necessary to maintain a balanced sources and uses.

4. **Other Income.** Other income includes garage parking fees along with miscellaneous charges for pets, storage, and other costs, all of which are in line with fees charged at comparable market rate residential properties.

5. **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.

Residences at Quarry Hills

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 $1,411,000, 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 $1,905,000 nor less than $917,150, to be made to The Residences at Quarry Hills LLC or another single-purpose entity controlled by Falconi Properties, LLC, HP Homes LLC and Agora Properties LLC (the "Borrower") as owner of the multifamily residential development known as "Residences at Quarry Hills" (the "Development") and located in Milton, 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 $2,500,000, to be funded from the MHFA Massachusetts Residential Production Momentum Fund, designated and reserved for MassHousing's Bringing Innovation to Lending and Development (BILD) strategies, including the Momentum Equity product and FORGE loan product, to a to-be-determined single-purpose entity, jointly controlled by a MassHousing affiliate entity and an entity controlled by Falconi Properties, LLC, HP Homes LLC and Agora Properties LLC, such that MassHousing will hold a preferred equity investment in the multifamily residential development known as "Residences at Quarry Hills" (the "Development") and located in Milton, 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:
Ten units (25%) 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 December 11, 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 712 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 94.2%, and range between 92% and 96%. Three of the comparables were offering rental concessions from one month free to two months free

Fourth Qtr. 2025 CoStar data for the subject's Quincy/Milton/Randolph Multi-Family Submarket (13,391 units) have an overall vacancy rate at 5.6% YTD, which is a decrease of .25 % from one year ago. CoStar data for the Boston market (297,371 units) has an overall vacancy rate of 6.8% YTD, which is an increase of 1.15% from one year ago. The Quincy/Milton/Randolph Multi-Family Submarket vacancy rate is projected to increase to 7.1% over the next five years, while the Boston market is projected to increase to 6.2%.

CoStar submarket data for the 4-5 Star building type (5,256 units) indicates a 4th Qtr. 2025 vacancy rate of 5.2% and an average asking rent of $2.861, while the submarket data for the subject's 3 Star building type (5,125 units) indicates a 4th Qtr. 2025 vacancy rate of 6.8% at an average asking rent of $2,525 and 1-2 Star buildings (3,010 units) indicates a 4th Qtr. 2025 vacancy rate of 4.3 % at an average asking rent of $2,093 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 (09/30/25), the City of Milton 9,801 year-round housing units, 723 (7.38%) of which are subsidized for low/moderate income households.

The Milton Housing Authority (MHA) owns and operates State subsidized 39 one-bedroom units of senior/disabled housing. In addition, the Milton Housing Authority owns and operates State subsidized 12 family apartments, 10 three-bedroom and 2 two-bedroom, at scattered site locations. The Milton Housing Authority also owns and leases out two group homes. Per the representative, they participate in the CHAMP (Common Housing Application for Massachusetts Programs). The representative was unable to provide the wait list information.

MHA also administer 144 Section 8 Vouchers and MHA participates in the Centralized Section 8 waiting last and per the latest information available there are approximately 184,216 applicants are on the centralized waiting list.

U.S. Census data from the 2019-2023 American Community Survey (ACS) indicates that of the 9,139 households in the Town of Milton approximately 75.8% earned less than the HUD published 2025 AMI ($160,900), approximately 27.4% earned less than 50% of 2025 AMI, approximately 37.6% earned less than 60% of the 2025 AMI, and approximately 58.1% 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 does not lead to the undue concentration of low-income housing.

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 BR**	**2 BR**	**3BR**
Number of Units	4	32	4
Net SF/Unit	700	1,000	1,263
Elevator Y/N	Y	Y	Y
Market Rate Rent (10% Rate 20 Yr. Term)	$4,228	$5,192	$5,703
MHFA Below Market Rent (Cost-Based Rent)	$2,749	$3,714	$4,224
MHFA Adjusted Rent	30% of 80% of AMI		
Underwriting Rents			
Market	$3,200	$3,950	$5,400
80% of AMI	$2,298	$2,689	$3,048

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

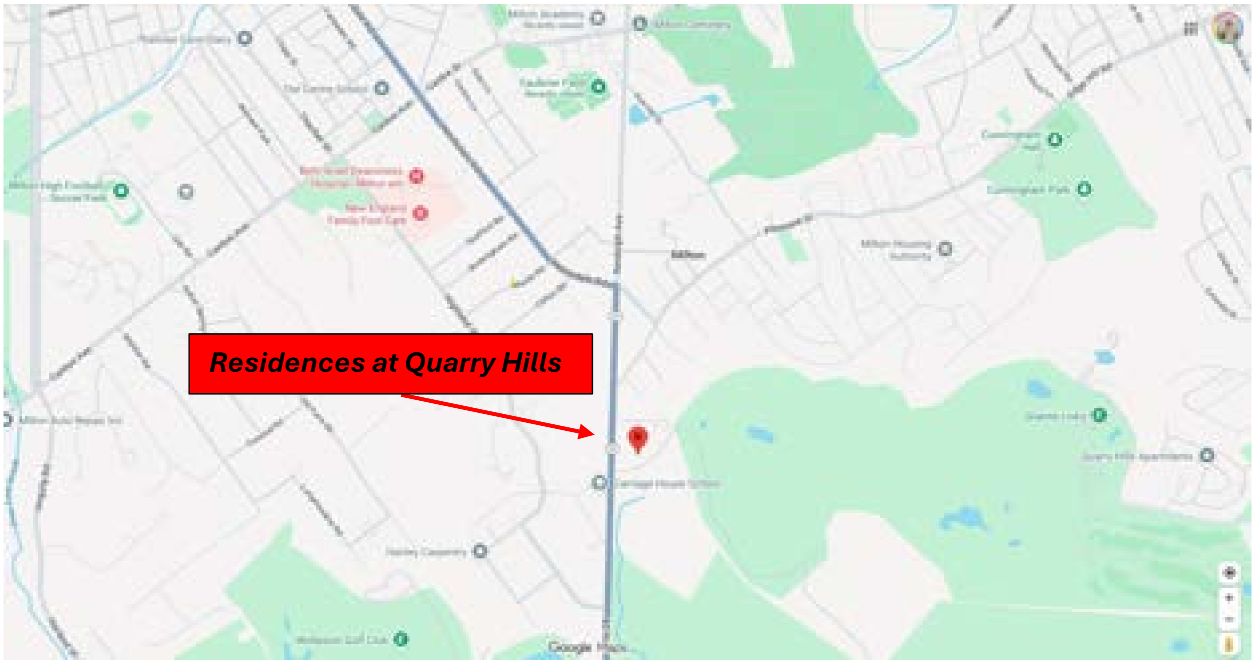


EXHIBIT B

Priority Screening Criteria

1. **Readiness and Eligibility**
    a. Project Readiness. The Developer has assembled the development team, identified construction period construction sources, secured the necessary local zoning and is in the process of securing the appropriate local permitting approvals. Final construction drawings will be completed by early 2026 and a firm bid proposal with the general contractor will be obtained by late January 2026.
    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-five percent of the units (10 units) will be income restricted for households earning up to approximately 80% of the Area Median Income ("AMI").

2. **Project Costs & Investment Efficiency**
    a. Cost Efficiency (Units per Dollar). The total development cost is $21,120,756 which is approximately $528,019 per unit.
    b. Investment Efficiency (Size of Ask) The investment level of Momentum Equity in the project represents 36% of the project's total equity.

3. **Impact and Additionality**
    a. Local Impact on Housing Opportunity
    As of the 2020 census, the Town of Milton had 723 SHI (Subsidized Housing Inventory) units. With the addition of 10 affordable units from this development, the total number of affordable units in the community will increase by 1.3%.

    b. Additionality of Investment ("but for")
    The inclusion of the Momentum Equity investment in the transaction enables the achievement of several programmatic and financial advantages to the project:

    <u>Enhanced Construction Loan Sizing</u>
    The presence of Momentum Equity allows the construction lender to increase the project's construction loan by an amount equal to the equity contribution, resulting in 14% larger loan size ($12,600,000 vs. $14,900,000).

    <u>Permanent Loan Take-out option for Construction Lender via the FORGE Loan</u>
    Momentum Equity serves as a critical credit enhancement for the construction lender, providing assurance of a permanent loan take-out for the construction financing. This enhancement also mitigates risk and provides the necessary comfort for the lender to extend a construction loan commitment to the project.

Achievement of Project Investor's Key Investment Metrics
The Momentum Equity investment is essential for achieving the project's target performance metrics:

- *Internal Rate of Return (IRR)*: Without the Momentum investment, the projected Common Equity IRR is estimated to be 8.66% over a 13-year term. The inclusion of Momentum Equity raises the projected IRR by 70 basis points to 9.36% over a 13-year term.

c. Diversity & Inclusion

Two of the subcontractors of the project's construction team are senior principals/owners of diverse representation.

d. Climate Alignment

The project aligns with the State of Massachusetts' Opt-In Specialized Energy Code requirement, prioritizing the all-electric or zero pathway and incorporating EV charging stations.

EXHIBIT C

Glossary of Terms

Real Estate Investment Metrics

Capitalization Rate - potential rate of return on an income-producing property, calculated by dividing its annual net operating income (NOI) by its current market value.

Common Equity Investment – total equity invested from sponsor and equity investor third parties.

Multiple on Equity ("deal/project multiple") – number of times the common equity gets their equity returned, where a 1.0x multiple is breakeven.

IRR ("deal/project IRR") – the time-weighted average compounded annual rate at which the common equity investment grows.

Momentum Equity IRR – the time-weighted average compounded annual rate at which the Momentum Equity investment grows.

Project Cash-on-Cash – the rate of return that measures how much cash has been earned based on the initial cash investment.

Operating Distributions to Paid-in Capital - Operating cash flows to common equity.

Residual Value to Paid-in Capital - net sale proceeds after debt repayment cash flow to common equity.

Total Value to Paid-in Capital – The sum of the operating and residual distributions to paid-in capital.

EXHIBIT D

Forge Loan Structure

Freddie Mac lending includes a risk sharing element, a concept which is also seen in HUD's Federal Housing Administration ("FHA") and Federal Financing Bank ("FFB") Risk-Sharing Initiatives, in which MassHousing participates extensively. In the Freddie Mac structure, a lending partner purchases a 10% top loss tranche of the loan (generally referred to as the "B Piece"), allows Freddie Mac to structure bonds as Triple-A ("AAA") securities and therefore to offer favorable interest rates to borrowers.

Under the Agency's arrangement with Berkadia, MassHousing plays the role of the B Piece purchaser. However, rather than purchase a tranche of the Freddie Mac loan, the Agency will make a subordinate loan of up to 10% of the total supportable loan amount.

The resulting integrated permanent financing package will then consist of a Freddie Mac first mortgage loan ("First Mortgage Loan") and a coterminous subordinate second mortgage loan from MassHousing (the "Subordinate Loan") and together with the First Mortgage Loan, the "Loans"). The Loans will fund the senior debt obligations at no more than 80% combined Loan-to-Value ("LTV") and no less than a combined 1.25 Debt Service Coverage Ratio ("DSCR").

MassHousing and Berkadia have entered into an Origination and Underwriting Agreement defining the relationship between MassHousing and Berkadia regarding the origination, underwriting, and closing of an integrated debt financing package. The financing package will include the First Mortgage Loan underwritten by Berkadia and funded through Freddie Mac and the Subordinate Loan underwritten and funded by MassHousing.

The First Mortgage Loan will meet a minimum 1.35 DSCR. Together with the Subordinate Loan, the Loans will meet a minimum combined 1.25 DSCR. This structure allows MassHousing to access a low-cost taxable permanent financing execution by committing up to 10% of the overall financing package. Because the Agency's commitment is providing credit enhancement to Freddie Mac in the form of a first loss position, the Agency's involvement allows for more favorable lending terms than Berkadia can offer to borrowers outside of the program, including a more competitive interest rate, up to 80% LTV and a favorably priced 36-month forward commitment, reducing the overall cost of the financing and supporting the development of mixed-income housing.

Berkadia is responsible for ensuring that all applicable Freddie Mac requirements have been satisfied, and that Freddie Mac will determine the new First Mortgage Loan is an acceptable risk. MassHousing will independently underwrite the Subordinate Loan. With Sponsor's acceptance of commitment letters for the Loans, the financing package will advance to closing. There will be a single construction closing with coordination between MassHousing, Berkadia, the Sponsor, and the construction lender. Once the Development achieves stabilization, Freddie Mac and MassHousing will make the Loans to replace the construction loan.

EXHIBIT E

Ten-Year Cashflow – *see following page*

MassHousing

Residences at Quarry Hill
728 Randolph Ave, Milton MA
HP Homes/ Agora / Falconi Companies

Momentum Equity Proforma

Summary

Project Name	Residences at Quarry Hill	Yr 10 Gross Sale Proceeds	$28,014,495
Address	728 Randolph Ave, Milton MA	Transaction Costs	($840,435)
Sponsor	HP Homes/ Agora / Falconi Companies	Net Sale Proceeds	$27,174,060
Total Units	40	Net Proceeds after Debt Repayment	$13,496,275
Affordable Units	10		

General Assumptions

Exit Cap Rate	5.75%
Perm Loan Debt Service	$997,432
Beginning Loan Balance	$14,110,000
Yr 10 Loan Balance	$13,677,785
Total Development Cost	$21,120,756
Yr 10 Sale Costs	3.00%
Rent Trending	3.00%
Other Income Trending	3.00%
Expense Trending	3.00%
Stabilization/Perm Closing Date	1/1/2029
Residential Vacancy	6.50%
Other Income Vacancy	10.00%

Equity Assumptions

Total Equity at Stabilization	$7,010,756
Momentun Equity at Stabilization	$2,500,000
Common Equity at Stabilization	$4,510,756
Common Equity at Construction	$7,010,756
Momentum Equity Coupon	6.50%
Momentun Equity Percentage of Total Equi	35.66%

Equity Returns

Sale or Exit Capitalization Rate	5.75%
Unlevered Year 1 Return on Cost	5.85%
Distributions / Paid-in Capital, net of Investr	0.60
Residual Value to Paid-in-Capital, net of In	1.93
Total Value to Paid-in-Capital	2.52
Common Equity IRR	9.36%
Momentum Equity IRR	6.06%
Levered Average Sponsor Cash on Cash	5.66%
Levered Average Project Cash on Cash	5.96%

Period	C0 1/1/2025	C1 1/1/2026	C2 1/1/2027	C3 1/1/2028	1 1/1/2029	2 1/1/2030	3 1/1/2031	4 1/1/2032	5 1/1/2033	6 1/1/2034	7 1/1/2035	8 1/1/2036	9 1/1/2037	10 1/1/2038	Exit 1/1/2039
Gross Potential Rent (Market + Affordable)	$1,745,112/yr	-	-	-	1,745,112	1,797,465	1,851,389	1,906,931	1,964,139	2,023,063	2,083,755	2,146,268	2,210,656	2,276,975	
Vacancy	6.50%	-	-	-	(113,432)	(116,835)	(120,340)	(123,951)	(127,669)	(131,499)	(135,444)	(139,507)	(143,693)	(148,003)	
Effective Rent					1,631,680	1,680,630	1,731,049	1,782,980	1,836,470	1,891,564	1,948,311	2,006,760	2,066,963	2,128,972	
Other Income	$100,200/yr	-	-	-	100,200	103,206	106,302	109,491	112,776	116,159	119,644	123,233	126,930	130,738	
Other Income Vacancy	10.00%	-	-	-	(10,020)	(10,321)	(10,630)	(10,949)	(11,278)	(11,616)	(11,964)	(12,323)	(12,693)	(13,074)	
Effective Gross Income		-	-	-	1,721,860	1,773,516	1,826,721	1,881,523	1,937,968	1,996,107	2,055,991	2,117,670	2,181,200	2,246,636	
Total Expenses	$487,290/yr	-	-	-	487,290	501,909	516,966	532,475	548,449	564,903	581,850	599,305	617,284	635,803	
OpEx as % of EGI	28.3%	-	-	-	28.3%	28.3%	28.3%	28.3%	28.3%	28.3%	28.3%	28.3%	28.3%	28.3%	
Net Operating Income		-	-	-	1,234,570	1,271,607	1,309,755	1,349,048	1,389,519	1,431,205	1,474,141	1,518,365	1,563,916	1,610,833	
Debt Service		-	-	-	(997,432)	(997,432)	(997,432)	(997,432)	(997,432)	(997,432)	(997,432)	(997,432)	(997,432)	(997,432)	
Cash Flow		-	-	-	237,138	274,175	312,323	351,616	392,087	433,773	476,709	520,933	566,484	613,401	
Momentum Equity Cash Flows		-	-	(2,500,000)	162,500	162,500	162,500	162,500	162,500	162,500	162,500	162,500	162,500	162,500	2,500,000
Common Equity Cash Flows		(3,505,378)	(3,505,378)	2,500,000	74,638	111,675	149,823	189,116	229,587	271,273	314,209	358,433	403,984	450,901	10,996,275

EXHIBIT F

Rental Market Comparables - *see following page*

	Subject	Comp Average	1	2	3	4
Property Name	Residences at Quarry Hills		Modera	Center and Stone	The Nines	Franklin at Hancock Village
Property Address	728 Randolph Avenue, Milton, MA 02186		Needham	Quincy	Wellesley	Brookline
		Comp Average				
# of Units	40	234	136	201	350	250
Year Built	2027	2022	2018	2024	2022	2024
Distance (miles)	0	12	15	5	18	9
	1x1	1 Bed	1x1	1x1	1x1	1x1
Avg. Rent	3200	$3,375	$3,300	$2,745	$3,420	$3,380
Square Feet	700	918	1,205	710	760	940
Avg. Rent/SF	$4.57	$3.78	$2.74	$3.87	$4.50	$3.60
	2x2	2 Bed	2x2	2x2	2x2	2x2
Avg. Rent	3950	$4,674	$4,470	$3,783	$4,730	$4,470
Square Feet	1000	1166	1,300	1,071	1,124	1,288
Avg. Rent/SF	$3.95	$4.05	$3.44	$3.53	$4.21	$3.47
	3x2	3 Bed	3x2	3x2	3x2	3x2
Avg. Rent	5400	$7,363	$6,865	N/A	$7,818	$8,133
Square Feet	1263	1637	1,780	N/A	1,399	1,890
Avg. Rent/SF	$4.28	$4.61	$3.86		$5.59	$4.30
Utilities	All resident-paid.		Trash included	Trash included	Trash included	Trash included
Parking	26 surface parking spaces available free of charge and 33 garage parking spaces available for $150		Garage Parking, Surface Parking, and Reserved Spaces	Garage Parking, Surface Parking, and Bike Storage	Garage and Surface Parking	Garage and Surface Parking
Notes			96% occupied, no concessions, Bike storage, fitness, cyber café, game room.	97% occupied, no concessions. Co-working area, skylounge, game room, indoor/outdoor dining & entertaining lounge	94% occupied, no concessions	89% occupied, 2 months free, fitness center, community room, putting green, pool & sundeck,and grill & picnic area.

Loan Commitment Proposal | January 13, 2026

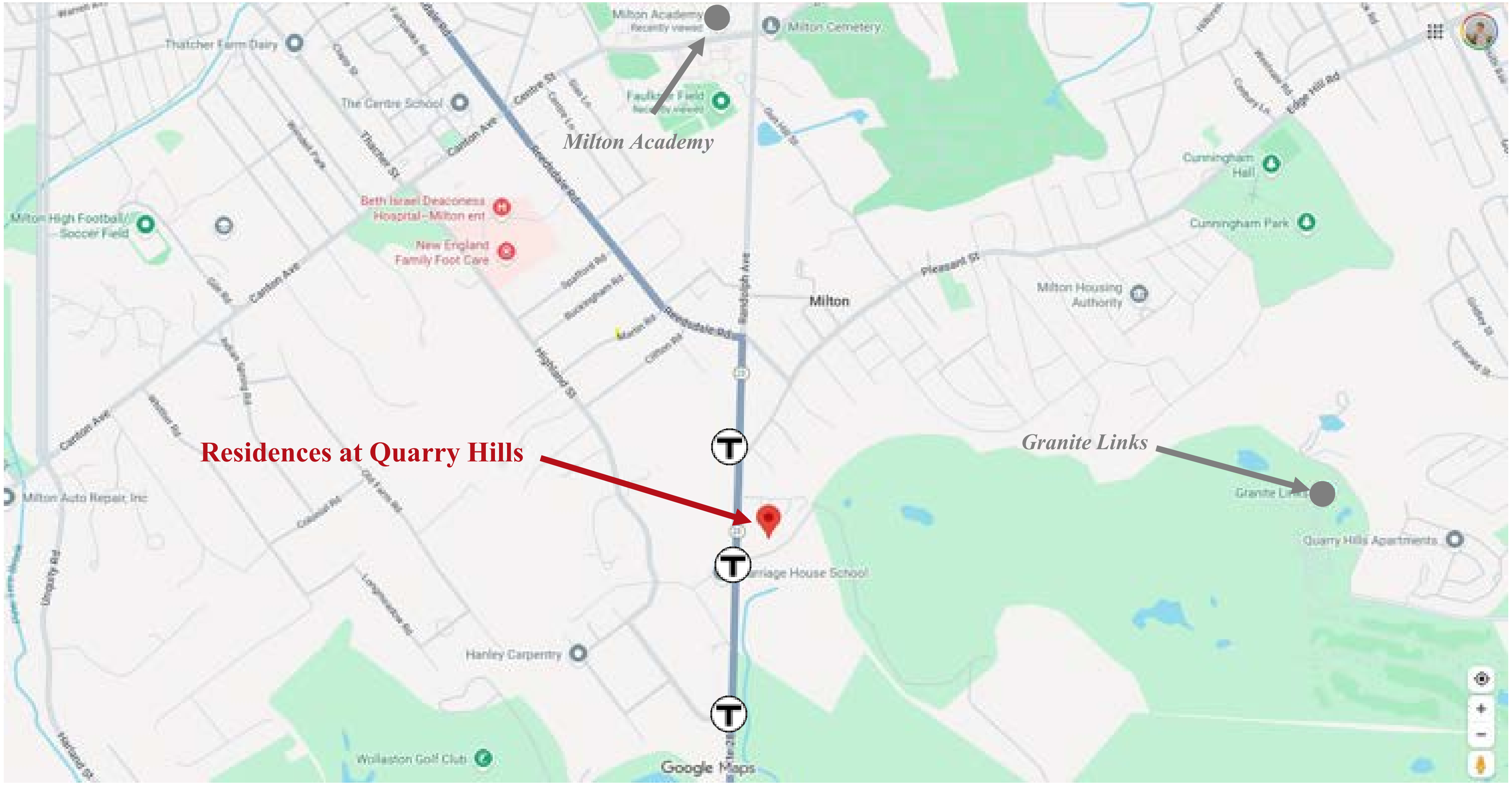
Residences at Quarry Hills

Location	728 Randolph Avenue, Milton
Sponsors	Falconi Properties, LLC HP Homes LLC Agora Properties LLC
Transaction Type	Production
Funding Type	Forward Commitment of an Equity Investment Forward Commitment of a Subordinate Loan
Execution Type	Momentum Equity Financing Options for Residential Growth and Expansion (“FORGE”) Loan (Taxable)
Credit Enhancement	None
Total Rental Units	40
Affordability Mix	10 Affordable 30 Market

Deal Team Members	
Origination	Brian Robinson, Jeff Geller, Josh Combs
Underwriting	Dan Staring, Joe Bertolino
Asset Management	Dan Discenza

MassHousing

Residences at Quarry Hills | Milton



Borrower Team

Mortgagor Entity	The Residences at Quarry Hills LLC
Developer / Sponsor	Falconi Properties, LLC HP Homes LLC Agora Properties LLC
General Partner / Managing Member	Quarry Hills Investor LLC
Construction Lender	Metro Credit Union
Investor	Limited Partner Investor(s)
Management Company	Corcoran Management Co., Inc.
Architect	The MZO Group – Andrew Zalewski AIA
General Contractor	HP Homes LLC

Unit Mix

Unit Size	Average Size (SF)	Total Units	80% of AMI MassHousing Statutory*			Unrestricted Market Rate**		
			Count	*Rent/sf*	*Rent*	*Count*	*Rent/sf*	*Rent*
1 BR	700	4	2	$3.54	$2,298	2	$4.92	$3,200
2 BR	1,000	32	6	$2.34	$2,689	26	$3.39	$3,950
3 BR	1,263	4	2	$2.38	$3,048	2	$4.22	$5,400
Total	**987**	**40**	**10**			**30**		

** 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. See Exhibit G for reference.*

Project Costs

Project Construction Costs	
Total Construction Cost	$14,250,000
Gross Square Footage	65,931
Construction per Gross Square Foot	$216
Construction per Unit	$356,250

Sources and Uses

Sources	Construction	per unit	Permanent	per SF	per unit
Construction Loan	$14,900,000	$372,500			
FORGE Loan			$14,110,000	$214	$352,750
Momentum Equity			$2,500,000	$38	$62,500
Common Equity	$6,220,756	$155,519	$4,510,756	$68	$112,769
Total	$21,120,756		$21,120,756	$320	$528,019

Uses		per SF	per unit
Acquisition	$2,700,000	$41	$67,500
Construction	$14,250,000	$216	$356,250
Contingency (5.5%)	$500,000	$8	$12,500
General Development	$3,005,938	$46	$75,148
Developer Overhead & Fee	$664,818	$10	$16,620
Total	$21,120,756	$320	$528,019

Underwriting Notes

1. Development Size
2. Equity Sizing
3. Loan Sizing
4. Other Income
5. Third party Reports

Momentum Equity Overview (Cont.)

Development Strengths

1. Experienced development team with a track record in this market.
2. Central location, immediately adjacent to MBTA bus stops and near major arteries, highways, and regional employment centers.
3. Marketable unit features and competitive standard amenities

Momentum Equity Overview

- **Risks**
  - The site is untested for a multifamily rental development. The nearest comparable property is approximately 4 miles from the subject site.

- **Mitigants**
  - Strong occupancy levels in submarket (92-96%)
  - Subject property is one of the submarket's first market-rate residential developments in five years.
  - Subject property has larger average unit sizes than submarket (971 square feet compared to 808 square feet)

Momentum Equity Impact

a) Local Impact on Housing Opportunity

a) As of the 2020 census, the Town of Milton had 723 SHI (Subsidized Housing Inventory) units. The Residences at Quarry Hills will increase the total number of affordable units in the community by 1.3%.

b) Additionality of Investment (“but for”)

a) The inclusion of the Momentum Equity investment in the transaction enables the achievement of several programmatic and financial advantages to the project.

a) Enhanced Construction Loan Sizing

b) Permanent Loan Take-out option for Construction Lender via the FORGE Loan

c) Achievement of Project Investor’s Key Investment Metrics

Recommended Votes

- Approval of Second Mortgage
- Approval of Momentum Equity

Loan Commitment Proposal | January 13, 2026

Devenscrest Village

1. General Project Information	
Project Name	Devenscrest Village
Project ID	25-114
Associated Projects	N/A
Address(es)	35 Littleton Road, Ayer, MA 01432
Sponsor	The Schochet Companies
Transaction Type	Preservation
Funding Type	Current (Workforce Only)
Execution Type	Workforce Housing
Credit Enhancement	None
Approval Type	Board
Total Rental Units	114
Affordability Mix	35 Affordable 79 Workforce

2. Recommended Actions

- Commitment of a Workforce Housing Loan

3. Background

The proposed financing will support the acquisition and preservation of Devenscrest Village (the "Development"), an existing 114-unit development in Ayer. The Schochet Companies ("Schochet" or the "Sponsor") signed a purchase and sale agreement for the Development, which was an unrestricted but so-called "naturally occurring affordable housing" or "NOAH" property, and preserve it as a long-term restricted affordable housing resource for the current residents and the community.

The Sponsor submitted a proposal to acquire, restrict, and improve the physical condition of the Development to the Executive Office of Housing and Livable Communities ("EOHLC") and the Agency. The proposed sources included permanent financing from Eastern Bank, investor equity, and subordinate resources from EOHLC and the Agency. However, given that the purchase and sale required that the acquisition transaction close by December 12, 2025, MassHousing funds were unavailable at the time of acquisition. Instead, the Sponsor closed on the acquisition and included a $3,000,000 sponsor loan in the capital stack.

The proposed financing would go to repay that sponsor loan, allowing the sponsor to use those funds to support predevelopment activities for other projects in the pipeline.

4. MassHousing Financing	
Junior Loan	
Type	Workforce Housing Loan ("WFH Loan")
Loan Amount	$3,000,000
Interest Rate	0%
Loan Term/Amortization	40 years, non-amortizing
Terms of Cash Flow Sharing	Proceeds from capital events or cash flow available during operations will be distributed according to the following schedule: • First, to repay the outstanding principal and accrued interest on the Managing Member Loan; • Second, to the Non-Managing Members up to 8% preferred cumulative return on investment; • Third, to the Non-Managing Members an amount equal to an internal rate of return on their equity of 12%, inclusive of the 8% preferred cumulative return; and 25% to the Managing Member, capped at $1,000,000. • Fourth, 37.5% to the Non-Managing Members; and 62.5% to EOHLC and MassHousing, split on a pari-passu basis.

5. Development Plan

Description of Site. The Development is located on a 11.17-acre parcel at 35 Littleton Road in Ayer (the "Site"). The Site is located off Route 110 with close proximity to both Route 2 and I-495, and the Ayer Commuter Rail. Downtown Ayer, 1.3 miles away, includes various retail shops, food chains, a museum and hiking trails.

Description of Existing or Proposed Building. The Development is an existing, occupied 114-unit rental housing development comprised of 36 buildings located on the Site.

There are both two- and three-bedroom layouts. Seventy-nine (79) of the 114 units have been renovated by the previous owner, and the Sponsor plans to renovate the remaining 35 units upon acquisition; two or three of the previously-renovated units will also be adapted to be ADA-compliant.

The Sponsor intends to complete the construction within eighteen months.

Description of Affordability Mix. All 114 units will be restricted with set-asides for households at 50%, 60%, and 80% of Area Median Income ("AMI").

Thirty-five (35) units will benefit from a project-based MRVP contract, and Seventy-nine (79) units are set-aside for households earning up to 80% of AMI under MassHousing's Workforce Housing Restriction.

Site Control. Fee simple through a quitclaim deed.

6. Borrower Team

Mortgagor Entity: Devenscrest Village Partners LLC

Devenscrest Village Partners LLC (the "Borrower") is a single-asset, sole-purpose limited liability company formed for the purposes of owning and operating the Development.

Developer / Sponsor: The Schochet Companies

The Schochet Companies is a full-service real estate development and management company that owns and/or manages more than 5,500 apartments and 125,000 square feet of commercial space throughout New England. The company employs close to 200 professionals and has developed, owned, and/or managed in excess of 7,000 apartments and 600,000 square feet of retail and commercial space throughout New England and on the West Coast since its formation by Jay R. Schochet in 1973.

Schochet's development and investment experience ranges from structuring complex affordable housing transactions to developing and managing market rate housing. Recent MassHousing-financed developments with Schochet as the Developer or the development consultant include Warren Hall, Hillcrest Acres, and Newcastle Saranac.

General Partner / Managing Member: Schochet Devenscrest LLC

Sole member and manager is Richard J. Henken.

Equity Investors:

Syndicated Non-Managing Member equity will be provided by a syndicate of accredited, high net worth investors.

Permanent Lender: Eastern Bank

Eastern Bank is a Massachusetts-based financial institution offering consumer, commercial, and business banking services. Eastern Bank has approximately $22 billion in total assets and employs approximately 2,100 people. Recent MassHousing-financed developments with Eastern Bank as the Construction Lender include 900 Morrissey, Brockton South T.O.D., and 775 Huntington Snow Lot.

Management Company: Federal Management Co., Inc.

Schochet Property Management, dba as Federal Management Co., Inc.("FMC"), was formed in 1973. It provides management services for numerous clients including Schochet Companies, Retirement Housing Foundation, and the Jonathan Rose Companies. These services include complete responsibility for building operations, financial administration, leasing activities, and interfacing with local, state, and national agencies. Today, Schochet Property Management operates more than 5,300 apartments and 50,000 square feet of commercial space, which includes all types of housing including market rate apartments, LIHTC, and low- and moderate-income subsidized communities, new construction and rehabilitation, and a commercial portfolio comprised of offices, retail, and restaurants. Recent MassHousing-financed developments with FMC as the property manager include Warren Hall, Hillcrest Acres, and Newcastle Saranac.

Architect: Davis Square Architects, Inc.

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

General Contractor: Keith Construction

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.

7. Summary of MassHousing-Sponsor Relationship			
	Recorded	*Committed*	*Total*
Number of Projects with MassHousing Debt	6	1	7
Total Units with MassHousing Debt	802	35	837
Outstanding MassHousing Principal Debt	$133,582,316	$16,873,599	$150,455,915
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	Yes, FMC manages properties in the Schochet Companies portfolio and offers management services to properties outside of the Schochet Companies portfolio.		

MassHousing Staff	
Origination	Tai Pope, Originator Danielle Casavant, Analyst
Underwriting	Adam Krings, Underwriter
Asset Management	Natalia Gonchar, Portfolio Manager

8. Unit Mix

Unit Size	Total Units	PB-MRVP 50% AMI		PB-MRVP 60% AMI		Workforce 80% AMI	
		Count	*Rent*	*Count*	*Rent*	*Count*	*Rent*
2 BR	97	5	$2,374	26	$2,374	66	$2,334
3 BR	17	1	$2,836	3	$2,836	13	$2,583
Total	**114**	**6**		**29**		**79**	

Project-Based Rental Subsidy	
Type	MRVP
Term	15 y
Administrator	EOHLC
Lesser of market or contract rents	

9. Operating Overview

See Section 12. First Year Income and Expenses.

10. Project Costs

Core Residential Costs	
Base	$43,179,445
Extraordinary	$0
Total	$43,179,445
Commercial, Site and Other Non-Residential Costs	
Commercial Costs	$0
Site and Other Non-Residential Costs	$0
Total	$0
Total Development Cost	
Total	$43,179,445

Project Construction Costs	
Total Construction Cost	$5,929,023
Construction per Square Foot	$490

11. Sources and Uses

Sources of Funds	Acquisition	*per unit*	Permanent	*per unit*
Eastern Bank Permanent Loan	$22,127,000	$194,096	$24,000,000	$210,526
MH Workforce Housing			$3,000,000	$26,316
EOHLC Subordinate Debt	$5,000,000	$43,860	$10,500,000	$92,105
Investor Equity	$2,687,994	$23,579	$3,170,430	$27,811
Construction Period Income			$2,509,015	$22,009
Managing Member Loan	$3,000,000	$26,316		
Total Sources	$32,814,994	$287,851	$43,179,445	$378,768

Uses	Permanent	*per unit*
Acquisition	$32,031,000	$280,974
Construction	$5,515,370	$48,380
Construction Contingency	$413,653	$3,629
General Development	$ 3,956,911	$34,710
Capitalized Reserves	$800,000	$7,018
Developer Fee	$ 237,161	$2,080
Developer Overhead	$225,350	$1,977
Total Uses	$43,179,445	$378,768

12. First Year Income and Expenses

Income		
Rental Income – Project-Based Rental Subsidy		$1,019,256
Rental Income – Non-Rental Subsidy		$2,251,476
Gross Potential Residential Income		$3,270,732
Vacancy – Project-Based Rental Subsidy	2.5%	($25,481)
Vacancy – Non-Rental Subsidy	5.0%	($112,574)
Gross Residential Income		$3,132,677
Effective Gross Income		$3,132,677

Expenses	
Residential Operating Expenses	$1,150,868
Net Operating Income	$1,981,809
Debt Service	($1,710,076)
Cash Flow	$271,732

Residential Operating Expense Detail			*Per Unit*
Management Fee	4%	$97,182	$852
Administrative Costs		$205,068	$1,799
Maintenance Costs		$360,000	$3,158
Utilities (water and sewer, hot water)		$69,009	$605
Insurance		$125,000	$1,096
Taxes		$249,009	$2,184
Replacement Reserves		$46,600	$400
Total		$1,150,868	$10,095

Operating Expenses as a Percent of EGI	36.7%

13. Underwriting

1. **Permanent Financing:** The Sponsor has secured permanent first mortgage debt from Eastern Bank to acquire and rehabilitate the property. The permanent financing has a 10-year term which consists of a 2-year interest-only period followed by an 8-year permanent period with a 30-year amortization.

2. **Rental Subsidy:** The Sponsor's proforma includes 35 subsidized units through EOHLC's award of MRVPs.

3. **Third Party Reports:** The MassHousing-commissioned "as is" appraisal and market rents are currently underway. To the extent that either report changes the underwritten rents, loan-to-value, or replacement reserve deposit amounts, the loan size may be adjusted accordingly.

14. Low-Income Housing Tax Credits

N/A

Devenscrest Village

VOTES AND FINDINGS

PROPOSALS AND VOTES

Mortgage Loans

Staff has reviewed the proposal for subordinate workforce loan financing and proposes the following votes for approval:

VOTED: To approve the findings and determinations set forth below and to authorize a subordinate mortgage loan in a principal amount of up to $3,000,000 to be made to Devenscrest Village Partners LLC or another single-purpose entity controlled by The Schochet Companies or an affiliate (the "Borrower") as owner of the multifamily residential development known as "Devenscrest Village" (the "Development") and located in Ayer, Massachusetts (1) to be funded from that portion of the Opportunity Fund approved by the Members of MassHousing on March 8, 2016, designated and reserved for workforce housing programs, (2) subject to the terms and conditions of MassHousing's Workforce Program Guidelines adopted by the Members on July 12, 2016, as amended, and to any applicable delegations of authority previously approved by the Members of MassHousing and (3) the following special conditions:

> The subordinate workforce loan shall be permitted to be resubordinated to future permanent financing for the Development on terms and conditions acceptable to the Chief Executive Officer, the Chief Legal and Operating Officer and the Vice President of Multifamily Programs, and their respective designees, each acting singly, and in a manner acceptable to MassHousing's General Counsel or their designee.

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:
114 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 market conditions as of the date of collection on 12/22/25. The data is not subject to unanticipated local, national, and international events that may occur after this date. Further, the reader is cautioned and reminded that any conclusions presented apply only as of the collection date.

In-house data for larger market and mixed-income complexes (approximately 624 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 98.4%, and range between 96% and 100%. None of the comparables were offering rental concessions.

4th Qtr. 2025 CoStar data for the subject's Lowell/Dracut Submarket (7,466 units) have an overall vacancy rate at 4.0% YTD, which is an increase of .57% from one year ago. CoStar data for the Boston market (297,643 units) has an overall vacancy rate of 6.9 % YTD, which is an increase of 1.2% from one year ago. The Lowell/Dracut Submarket vacancy rate is projected to increase to 4.9% over the next five years, while the Boston market is projected to decrease to 6.3%.

CoStar, submarket data for the 4-5 Star building type (625 units) indicates a 4th Qtr. 2025 vacancy rate 9.9 % and an average asking rent of $3,070, while submarket data for the subject's 3 Star building type (3,179 units) indicates a 4th Qtr. 2025 vacancy rate of 3.5% at an average asking rent of $2,089 and 1-2 Star buildings (3,662 units) indicates a 4th Qtr. 2025 vacancy rate of 3.3% at an average asking rent of $1,903. 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 (09/30/25), the Town of Ayer had 3,783 year-round housing units, 221 (5.84%) of which are subsidized for low/moderate income households.

The Ayer Housing Authority(AHA) owns and operates State subsidized 34 one-bedroom units of senior/disabled housing. In addition, the AHA owns and operates State subsidized 13 family units consisting of 2- and three-bedroom units. They also own and operate one property of Congregate housing that has 7 units. Per the representative, they participate in the CHAMP (Common Housing

Application for Massachusetts Programs). The representative was unable to provide me the wait list information, however the representative stated that the wait list for elderly is approximately 2 to 3 years and the wait list for the family units is approximately 3 to 5 years. They do not have any Section 8 Vouchers.

U.S. Census data from the 2019-2023 American Community Survey (ACS) indicates that of the 1,454 households in the Town of Ayer, approximately 84% earned less than the HUD published 2025 AMI (160,900), approximately 51.9% earned less than 50% of 2025 AMI, approximately 58.7% earned less than 60 % of the 2025 AMI and approximately 72.2% 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 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	2	3
Number of Units	97	17
Net SF/Unit	750	900
Elev./Non-Elev.	N	N
Market Rate Rent	$3,129	$3,412
MHFA Below Market Rent (Cost-Based Rent)	$2,347	$2,630
MHFA Adjusted Rent	30% of 60% of AMI	
Underwriting Rents		
50% AMI	$2,374	$2,836
60% AMI	$2,374	$2,836
WFH	$2,334	$2,583

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


Littleton Rd
119
119
Littleton Rd

Loan Commitment Proposal | January 13, 2026

Devenscrest Village

Location	Ayer
Sponsor	The Schochet Companies
Transaction Type	Preservation
Funding Type	Current (Workforce Only)
Execution Type	Workforce Housing
Credit Enhancement	None
Total Rental Units	114
Affordability Mix	35 Affordable 79 Workforce

Deal Team Members	
Origination	Tai Pope, Danielle Casavant
Underwriting	Adam Krings
Asset Management	Natalia Gonchar

MassHousing

Devenscrest Village | Ayer

Borrower Team

Mortgagor Entity	Devenscrest Village Partners LLC
Developer / Sponsor	The Schochet Companies
General Partner / Managing Member	Schochet Devenscrest LLC
Permanent/Construction Lender	Eastern Bank
Syndicator / Investor	Private Investors
Management Company	Federal Management Co., Inc.
Architect	Davis Square Architects, Inc.
General Contractor	Keith Construction

Unit Mix

Unit Size	Total Units	PB-MRVPs 50% AMI		PB-MRVPs 60% AMI		WFH 80% AMI	
		Count	*Rent*	*Count*	*Rent*	*Count*	*Rent*
2 BR	97	5	$2,374	26	$2,374	66	$2,334
3 BR	17	1	$2,836	3	$2,836	13	$2,583
Total	**114**	**6**		**29**		**79**	

Project Costs

Core Residential Costs1	
Base	$43,179,445
Extraordinary	$0
Total	$43,179,445
Commercial and Non-Residential Costs	
Commercial Costs	$0
Site and Other Non-Residential Costs	$0
Total	$0
Total Development Cost	
Total	$43,179,445

Project Construction Costs	
Total Construction Cost	$5,929,023
Construction per Square Foot	$490

Sources and Uses

Sources of Funds	Acquisition	Permanent		Uses of Funds	
Eastern Bank Permanent Loan	$22,127,000	$24,000,000		Acquisition	$32,031,000
MH Workforce Housing		$3,000,000		Construction	$5,515,370
EOHLC Subordinate Debt	$5,000,000	$10,500,000		Construction Contingency	$413,653
Investor Equity	$2,687,994	$3,170,430		General Development	$3,956,911
Construction Period Income		$2,509,015		Capitalized Reserves	$800,000
Managing Member Loan	$3,000,000			Fee	$237,161
				Overhead	$225,350
Total Sources	**$32,814,994**	**$43,179,445**		**Total Uses**	**$43,179,445**

Underwriting Notes

1. Permanent Financing
2. Rental Subsidy
3. Third Party Reports

Recommended Votes

- Commitment of a Workforce Housing Loan

Loan Workout Approval Request | January 13, 2026
Pac-10 Lofts, Phase One

1. General Project Information	
Project Name	Pac-10 Lofts, Phase One
Project ID	16-004
Associated Projects	Pac-10 Lofts, Phase Two
Address(es)	300 Methuen Street, Lawrence, MA 01840
Sponsor	WinnDevelopment Company Limited Partnership
Transaction Type	Workout (4%)
Funding Type	First Mortgage Workout and Asset Protection Loan
Execution Type	Balance Sheet
Credit Enhancement	None
Approval Type	Board
Total Rental Units	180
Affordability Mix	130 Affordable 19 Workforce 31 Market

2. Recommended Actions

- First Mortgage Modification
- Approval of Level One Transfer of Ownership to New Managing Member
- Commitment of Asset Protection Loan

The proposed restructuring and workout will support the financial stability of Pac-10 Lofts, Phase One (the "Development"), which includes 180 units in downtown Lawrence created through the adaptive reuse of a portion of the historic Pacific Mill building.

Financing for the Development was originally committed in 2017 and restructured in 2022. The Development has faced a series of challenges both during the construction period and well into the Development's operations. The financing and transfer of ownership proposed herein is the latest in a series of actions and commitments related to the Development, each of which is summarized below.

The workout plan contemplated herein proposes a series of measures. First, a modification of the existing tax-exempt first mortgage loan, which is unsupportable; the loan will be split into a performing mortgage that is supportable based on a new proposed operating budget, and non-amortizing subordinate loan. Second, the commitment of new funding from MassHousing which, together with additional funds from the investor member in the Development, an entity of Affordable Housing Partners ("AHP" or the "Investor Member"), will finance both previously completed and immediate capital needs. The modification and additional commitment of funds will facilitate funding of the remaining Federal LIHTC capital contributions which will allow for repayment of MassHousing's equity Bridge Loan and a capital loan from the tax credit equity investor.

Background

On February 14, 2017, the Agency approved the forward commitment of a tax-exempt permanent loan, a tax-exempt equity bridge loan, and a Workforce Housing Loan. Construction began in March 2018 and was scheduled to be completed in September 2019. However, events outside of the Owner's control resulted in substantial delays, a cost increase of over $22,000,000 and the exit of the equity investor, US Bank (the "Original Investor Member").

On May 10, 2022, the Agency approved a proposal to restructure the tax-exempt permanent, tax-exempt equity bridge, and Workforce Housing loans, as well as the delegation to the Vice President of Multifamily Programs and General Counsel the authority to determine the structure and final details of the loans. As a condition of the final loan structure approved by the Vice President of Multifamily Programs and General Counsel, a new investor member, AHP Housing Fund 318, LLC (the "Investor Member"), was admitted to the ownership structure. The recommitment proposal is included as Exhibit A and outlines the delays, cost overruns, departure of the Original Investor Member, and the final loan structure as approved is included as Exhibit B to this proposal.

In June 2022, the Agency recorded and funded its loans to the Development. As a result of the admission of the new Investor Member, the Development also received an equity installment of approximately $12,860,000 and Reed Realty Advisors LLC (the "Original Sponsor") was able to complete construction. At that time, it was projected that the Development would be fully leased by December 31, 2022. Due to slow leasing activity, particularly in the 80% AMI moderate income units, and high turnover during the lease up period, the Development was only able to reach 79% occupancy by the end of 2022 and only reached 90% occupancy six months later. During this time, the Sponsor requested, and MassHousing approved, a modification to the Workforce Housing restrictions, converting twenty-one (21) of the original 80% AMI units to the market rate tier.

Throughout 2022 and 2023, MassHousing staff noted a marked decline in the communication, engagement, and reliability of the Original Sponsor and, as a result, began to engage directly with the Investor Member and representatives of the WinnCommunities ("Winn" or the "Management Agent").

During lease up and stabilization, MassHousing and the Management Agent also identified significant life and safety issues that were impacting marketability; these issues were not being addressed by the Original Sponsor. Both parties also measured operating costs significantly higher than projections and earlier underwriting.

In the first half of 2023, MassHousing and the Management Agent worked to address the life and safety issues identified and also completed work includes measures related to building access and security, fire alarm and suppression systems, historic windows, and common area improvements.

Between 2023-2025, the parties also initiated further study to identify and assess options and costs related to addressing larger physical deficiencies primarily related to the design, installation and operation of the HVAC system, as well as the need to install a planned second elevator that was purchased but never installed. While these measures have increased operating efficiency and boosted occupancy to 93%, the Development is still unable to make full debt service payments.

MassHousing staff remain heavily engaged. Further detail on all capital improvements and necessary capital needs can be found in Section 12 of this proposal.

Finally, the Development is part of a planned two-phase effort to fully redevelopment the Pacific Mill building and was to be followed by Pac-10 Lofts, Phase Two under common ownership. Both phases are physically connected and related in a condominium ownership structure. Although Phase Two has not been developed, certain costs have been incurred and paid for by both the Investor Member and the Phase One Development to cover insurance, taxes, and emergency repairs in the absence of the current Phase Two Owner accepting responsibility.

3. MassHousing Financing	
Modified First Mortgage Loan	
Type	Tax-Exempt First Mortgage Loan
Loan Amount	$6,000,000
Interest Rate	4.67%
Loan Term/Amortization	40 y / 40 y
Second Mortgage Loan	
Type	Tax-Exempt Subordinate Second Mortgage Loan
Loan Amount	$11,768,000
Interest Rate	4.67% or AFR
Loan Term/Amortization	40 y / cashflow note
Cash Flow Sharing	30% funds available for distributions up to $185,000 and 50% for amount greater than $185,000
Third New Junior Mortgage Loan	
Type	Asset Protection Loan
Loan Amount	$5,200,000
Interest Rate	1.00%
Loan Term/Amortization	Coterminous with First Loan / cashflow note
Cashflow Sharing	30% funds available for distributions up to $185,000 and 50% for amounts greater than $185,000: only after repayment of Second Loan
Fourth New Mortgage Loan	
Type	Capital Magnet Fund Loan
Loan Amount	$2,000,000
Interest Rate	0.00%
Loan Term	Coterminous with First Loan / non-amortizing
Existing Junior Loan	
Type	Workforce Housing
Loan Amount	$5,000,000
Interest Rate	0.00%
Loan Term/Amortization	40 y / non-amortizing

New Junior Loan	
Type	Arrearage Note
Loan Amount	$4,036,754
Interest Rate	AFR
Loan Term/Amortization	Coterminous with First Loan
Cash Flow Sharing	30% funds available for distributions up to $185,000 and 50% for amounts greater than $185,000: only after repayment of Third Loan
Existing Subordinate Mortgage	
Type	Tax Exempt Bridge Loan
Loan Amount	$18,000,000 (partial payment received, balance outstanding $16,057,580)
Interest Rate	3.44% interest only
Loan Term/Amortization	12 months / currently past maturity (to be paid concurrently with closing of this proposed transaction)

4. Development Plan

Description of Site. The Development is located on a 1.6-acre parcel on Methuen Street running parallel to Essex Street (the “Site”), formerly Lawrence’s primary commercial corridor. This portion of Essex Street remains densely populated with nearly 100 historic buildings ranging from one to twelve stories. There are multiple community groups dedicated to revitalizing this area.

Description of Existing or Proposed Building. The Development comprises one portion of the former Pacific Mills cotton complex. The Pacific Mills was incorporated in 1853 and the original mills and print works were built by the Essex Company, remodeled in 1882, and enlarged and expanded over the many years of its operation.

The redevelopment of the building as the Pac-10 Lofts was conceived in two phases, of which the subject Development is the first. Currently, the Development is complete. The second phase is owned by the principal of the Original Sponsor who had planned to have the second phase closed and completed immediately following the completion of the first phase. However, due to the complications encountered in the first phase, the loan underwriting and subsidy processing for second phase was halted.

Description of Affordability Mix. One hundred and forty-nine (149) of the 180 units in the Development are subject to affordability restrictions. Eighteen (18) units are income-restricted to households at or below 30% of area median income (“AMI”) and 112 units are income-restricted for households at or below 60% of AMI. Nineteen (19) units are income-restricted for households at or below 80% of AMI under the Workforce Housing program. The remaining thirty-one (31) unrestricted units will be rented at market rates.

5. Borrower Team

Mortgagor Entity: Taom Pacific I LLC

A single-purpose limited liability company formed for the purpose of acquiring, developing, and owning Pac-10 Lofts, Phase One.

Proposed 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.

Managing Member:

Original (removed by Investor Member): Taom Heritage LLC

Originally controlled by Reed Realty Advisors LLC, whose principal is Scott Reed. As of May 14, 2024, the Investor Member exercised its rights under the operating agreement to convert Scott Reed's interest to that of de minimus special member. As a result, that entity is no longer managing member. The Investor Member is the current controlling member and subject only to MassHousing's consent has the sole and absolute right to substitute a new Managing Member.

Proposed: Pac10 Phase One MM LLC ("New MM")

The proposed Managing Member will be an entity controlled by WDP Manager Corp, its Manager, whose principal is Gilbert Winn.

Investor Member: AHP Housing Fund 318, LLC

This entity is a Delaware limited liability company, as the investor member (the "Investor Member") set up by Affordable Housing Partners Inc, a Berkshire Hathaway Group affiliated company. AHP is a 501c3 Non-Profit Organization that collaborates with the National Community Stabilization Trust as well as other State and Federal programs. This is AHP's first investment with MassHousing and in Massachusetts.

6. Summary of MassHousing- Sponsor Relationship

	Recorded	*Committed*	*Total*
Number of Projects with MassHousing Debt	32	3	35
Total Units with MassHousing Debt	5,355	357	5,712
Outstanding MassHousing Principal Debt	$652,193,135	$42,050,400	$694,243,535
Number of Projects with MassHousing Conduit Financing	2		
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 primarily manages properties in its Own portfolio and offers management services on occasion for properties outside its portfolio.		

MassHousing Staff	
Underwriting	Dan Staring, Underwriter
Origination	Josh Combs, Analyst
Asset Management	Kate Joyce, Portfolio Manager Maureen Carey, Asset Manager

7. Current Unit Mix & Rents

		LIHTC Eligible													
Unit Size	Total Units	30% AMI		30% AMI Voucher		60% AMI		60% AMI Voucher		80% AMI WFH		80% AMI Voucher		Market	
		Count	*Rent*	*Count*	*Rent*	*Count*	*Rent*	*Count*	*Rent*	*Count*	*Rent*	*Count*	*Rent*	*Count*	*Rent*
1 BR	82	8	$581	-	-	31	$1,295	21	$1,310	13	$1,648	5	$1,344	4	$1,909
2 BR	10	1	$704	-	-	5	$1,679	1	$2,165	1	$2,291	-	-	2	$2,382
3 BR	88	8	$889	1	$1,900	37	$1,792	17	$1,906	-	-	-	-	25	$2,389
Total	**180**	**17**		**1**		**73**		**39**		**14**		**5**		**31**	

**All affordable rents are net of utility allowance*

8. Operating Overview

2026 OpEx Budget	$2,761,111 ($15,340 per unit)

Basis of Operating Costs. Based on an analysis of the actual expenses incurred over the last three years, the operating results of comparable properties in the MassHousing portfolio, and the Owner's and Management Agent's 2026 Budget.

9. Sources and Uses

Source of Funds	Total
MassHousing Subordinate Asset Protection Loan Debt	$5,186,600
MassHousing Capital Magnet Funds	$2,000,000
AHP Capital	$798,510
Existing Replacement Reserves	$41,451
Existing Operating Reserves	$750,777
Federal Tax Credit Equity	$16,127,151
Arrearage Note Bridge & Perm Loan Interest	$4,036,754
Total Sources	**$28,941,243**

Uses of Funds	Total
Repayment of MassHousing Bridge Loan	$16,057,580
Accrued Unpaid Bridge Loan Interest (through 03/31/26)	$1,307,301
Accrued Unpaid Perm Loan Interest (through 03/31/26)	$2,729,453
Reimbursements to AHP (Phase One)	$1,217,200
Reimbursements to AHP (Phase Two)	$182,820
Repair Escrow (Capital Expense – Elevator and Lobby)	$4,303,200
Repair Escrow (Capital Expense – HVAC)	$1,208,684
Replacement Reserve	$316,000
Operating Reserve	$1,000,000
Phase Two Operating Reserve (Taxes, Insurance, Electric)	$180,000
Accounts Payable (Consultants)	$439,005
Total Uses	**$28,941,243**

** The sources above represent new funds into the deal to address cost increases since the Development's original completion.*

10. Projected Income and Expenses

Income		2022 Permanent Closing		2026 Projected Budget
Rental Income – Affordable		$2,701,632		$2,660,640
Rental Income – Market		$192,648		$865,560
Gross Potential Residential Income		$2,894,280		$3,526,200
Vacancy – Market	5.1%	($159,985)	10.0%	($352,620)
Gross Residential Income		$2,734,295		$3,173,580
Other Income		$36,000		$5,614
Effective Gross Income		$2,770,295		$3,179,194

Expenses	2022 Permanent Closing	2026 Projected Budget
Residential Operating Expenses	($1,642,709)	($2,761,111)
Net Operating Income	$1,127,586	$418,083
Debt Service	($981,963)	($331,595)
Cash Flow	$145,623	$60,542
First Mortgage	$17,768,000	$6,000,000
First Mortgage Debt Service Coverage	1.15	1.25
Combined First & Second Debt Service Coverage	1.15	0.47

Residential Operating Expense Detail		2022 Permanent Closing	2026 Projected Budget
Management Fee	4.0%	$110,812	$127,168
Administrative Costs		$335,000	$518,667
Maintenance Costs		$311,000	$716,134
Resident Services		$0	$95,000
Security		$3,000	$82,820
Utilities (HVAC, water and sewer, hot water)		$452,000	$599,800
Insurance		$164,177	$400,522
Taxes		$150,000	$149,000
Replacement Reserves		$72,000	$72,000
Mortgage Insurance Premium		$44,420	-
Total		$1,642,709	$2,761,111
Operating Expenses as a Percent of EGI		60%	87%

11. Loan Modification Considerations

1. **First Loan Modification**. As mentioned, the existing First Loan is not supportable by the Development. The proposed size of the modified First Loan is based on a negotiated set of assumptions related to proposed capital improvements and the resulting changes to revenue and operating efficiency.

   While the property operations have not yet fully stabilized, the parties have mutually agreed on the operating budget to support the proposed loan with any cost overage being reasonably managed through the operating reserve.

   The subordinate Second Loan will share in available cashflow going forward with the new Managing Member. The parties expect improved operations over time as the remaining building systems are completed and tenancy along with the optimization of rental income improves. However, such improvement is difficult to predict and therefore was not considered when determining the amount of the supportable First Loan.

2. **Asset Protection Loan.** To complete critical repairs that will allow for maximum rental revenue and operating efficiency, the Development requires asset protection funding. The total amount of this financing shall not exceed the minimum amount necessary to address the immediate capital needs of the Development, increase reserve funding and approved transaction costs all subject to final confirmation by MassHousing based on the required scope and other available funding source(s). The first $2,000,000 of such an amount will be financed by a Capital Magnet Fund Loan; the balance will be financed by an Asset Protection Loan, currently estimated at $5,200,000.

3. **Equity Bridge Loan Repayment.** As typical with 4% LIHTC transactions, repayment of the Tax-Exempt Equity Bridge Loan relies on the receipt of the remaining Federal Tax Credit equity payments from the Investor Member. Since the Development has been unable to meet benchmarks that would trigger the final capital contribution, the repayment has been delayed.

   Modification of the First Loan to an amount that both MassHousing and the Investor Member deem supportable removes the default risk and allows the Investor Member to obtain approval for their remaining capital contribution; this will be a requirement of the closing of the financing outlined in this proposal.

4. **Investor Member Engagement.** The Investor Member has remained committed to the Development and has advanced over $1,200,000 in funds related to the Development and $182,820 for Phase Two to address emergency and routine capital costs not otherwise covered by the operations. Both parties must agree on a supportable First Loan resizing as a requirement of closing.

5. **Capital Needs**. As mentioned, the Investor Member, Management Agent, and MassHousing have worked to identify, quantify, and plan for necessary capital improvements – with particular attention on HVAC repairs and elevator installation.

   a. **HVAC.** During the 2022-23 winter season, inadequate heat delivery and retention led to tenant displacement and spurred inquiry into state of the HVAC system.

      Preliminary studies indicated that the existing roof-mounted HVAC system was improperly installed and inaccurately programmed. MassHousing directly engaged ICON Architects to perform an overall assessment of the existing system and building needs and recommend necessary actions to ensure sufficient heating and cooling for residents.

      In 2024, the review concluded that the existing HVAC system is sized and designed appropriately for the property, but improper installation is likely the cause of the system failures. Following this review, ICON was further engaged to develop an RFP to select a Mechanical Electrical and Plumbing (“MEP”) contractor to review system installation, identify corrective actions to resolve system performance issues.

      An MEP was selected and, together with ICON and AHP, began work on corrections to the system in October 2025. Repairs on the first four roof-mounted HVAC units are now complete and undergoing a two-month testing period to ensure the repairs perform as expected. If the results of these tests are favorable, work will commence on the remaining thirteen (13) roof-mounted HVAC units.

      During 2024, wind shields were installed on the roof to protect the HVAC system from freezing.

      An investigation indicated the improper installation of large, historically-accurate windows resulted in significant drafts and thermal bridging, causing heat loss during the winter and overheating during the summer. All window repairs were completed in January 2024 and have resulted in significant improvements to unit livability.

   b. **Elevator.** While the building has 180 units – many of which are on higher floors and occupied by families – the Development is only serviced by one elevator. This is insufficient and the elevator requiring higher than normal maintenance expenditures.

      While work on the installation of a second elevator has begun, it has also uncovered that existing and unused elevators were not properly decommissioned. Proper decommissioning is now part of the scope for the installation of the new elevator.

c. Additional Repairs. Throughout 2024 and 2025, the parties undertook several capital projects necessary to address deficiencies in the property's overall condition including:

- Installation of additional security cameras and updated key fob system to address uncontrolled access between floors and from the garage and overall building management.
- Upgraded Fire Alarm System hardware and software to address deficiencies and performed sprinkler repairs.
- Completed common area amenities (community room and fitness center) furniture and equipment.
- Replaced common area carpeting and repainting of hallways which had extraordinary wear due to lack of a second elevator and contributed to marketability.
- Redesigned and replacement of large Garage Door to access structured parking prone to mechanical breakdown due to weight.
- Reinstalled Historic windows and with added weatherstripping to reduce air infiltration.

6. **Ownership.** As part of this restructuring transaction, the New Managing Member will become the Managing Member of the Borrower.

   Prior to the admission of the New Managing Member, MassHousing will require (a) the removal of the former managing member and Scott Reed from the ownership of the Development and (b) the resolution of all obligations to Scott Reed and the previous managing member.

7. **Capital Magnet Funds.** MassHousing is providing a $2,000,000 subordinate loan that will be funded with Capital Magnet Funds ("CMF"). This is a non-amortizing loan due upon sale or refinancing of the Development. Approval of CMF loans is delegated to the Staff level, and therefore no votes associated with this loan are included in this package.

Recommendations

Staff has reviewed the proposal for the transfer of ownership, the modification of the existing loan, and the request for a subordinate Asset Protection Loan and proposes the following votes for approval:

VOTED: That MassHousing approves the Level One Transfer of Ownership of the managing member interest in Taom Pacific I LLC (the "Borrower") to Pac10 Phase One MM LLC, or another sole-asset, single-purpose entity controlled by WDP Manger Corp. or Gilbert Winn (the "Proposed MM"), subject to the requirements of the Transfer of Ownership Policy approved by MassHousing on August 14, 2007, as applicable, and further subject to any additional conditions required by the Senior Director of Rental Management and the General Counsel.

FURTHER VOTED: To authorize a permanent subordinate mortgage loan in a principal amount of up to $5,200,000, to be made to the Borrower as owner of the multifamily residential development known as "Pac-10 Lofts, Phase One" (the "Development") and located in Lawrence, Massachusetts, and in accordance with the applicable general closing standards and delegations of authority previously approved, as applicable as determined by the General Counsel, and further subject to (1) compliance with all applicable laws and all regulations and requirements of applicable financing programs, and (2) the following special conditions, terms and requirements:

a) AHP Housing Fund 318, LLC (or an affiliate) shall contribute $798,510, or such other amount as approved by the Vice President of Multifamily Programs, toward costs incurred to date.
b) Funding of any remaining Federal LIHTC and HTC equity contributions (as they may have increased since the permanent closing) shall occur contemporaneously with the closing of the mortgage loan, all or a portion of which shall be used to fully repay the equity bridge loan.
c) The transfer of the managing member ownership interest to the Proposed MM must occur simultaneously with the making of the loan.

FURTHER VOTED: To authorize the restructuring and bifurcation of the existing first mortgage loan to the Borrower in such amounts, and on such terms and conditions as the Vice President of Multifamily Programs may require, and to authorize the modification of any related documentation on such terms and conditions as required by the General Counsel.

FURTHER 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, provided that (1) any such mortgage loans shall be subordinated to MassHousing's first mortgage loan, and other MassHousing debt as determined by the Chief Executive Officer 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 his designee.

PICTURES AND MAP

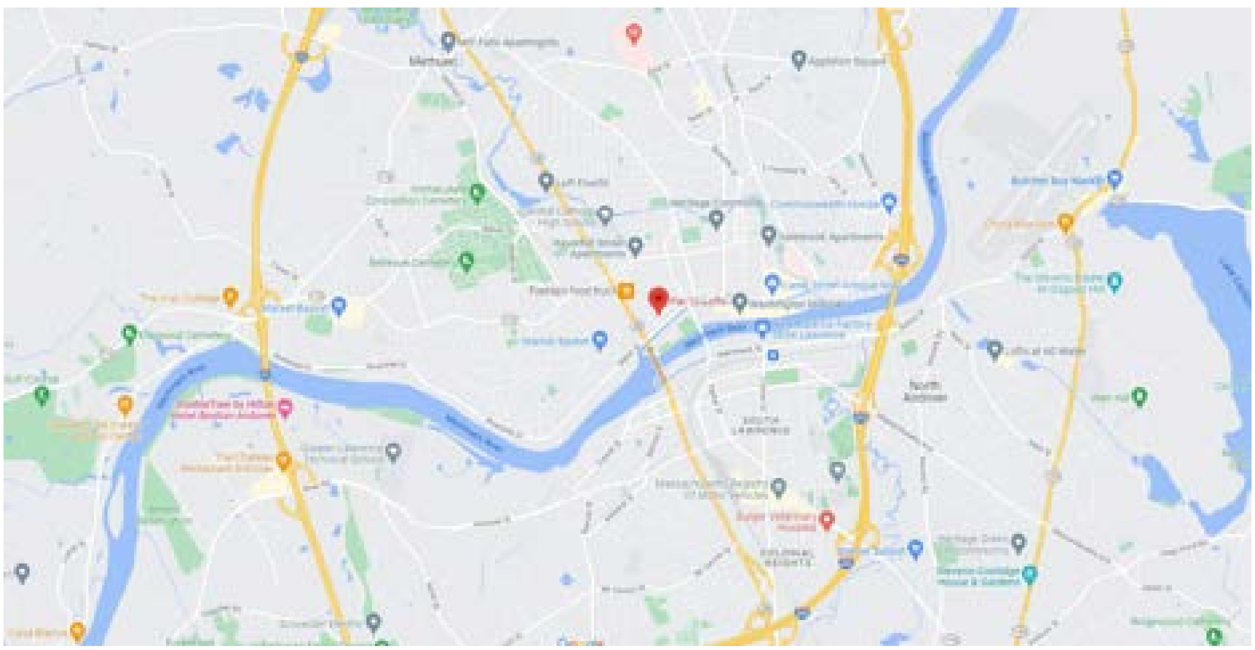


EXHIBIT A

2017 Rental Loan Commitment Proposal – see following page

RENTAL LOAN COMMITMENT PROPOSAL

PROJECT:	**Pac 10 Lofts** – Lawrence (#16-004)
PROPOSAL:	Official Action Status Commitment of Tax-Exempt Permanent Loan Commitment of Tax-Exempt Equity Bridge Loan Commitment of Subordinate Opportunity Fund Loan
PROGRAM:	Permanent Loan 50/50 HUD/HFA Risk Sharing Tier Opportunity Fund - Workforce Housing Program
ORIGINATOR:	Dan Staring
UNDERWRITER:	Dan Staring/Michael Carthas
BOARD REVIEW DATE:	February 14, 2017

Pac 10 Lofts ("Development") is an adaptive reuse of a historic mill building which will provide 170 new affordable units and 10 market units in downtown Lawrence. Reed Realty Advisors LLC ("Developer") is seeking permanent financing for the mixed-income development. The proposal presents a transaction that includes 4% LIHTC, a MassHousing permanent loan insured under the HUD/HFA Risk-Sharing Program, a tax-exempt equity bridge loan and a Workforce Housing subordinate loan. US Bank Corporation will be the construction lender in this transaction.

Financing Overview:

Tax-Exempt Permanent Loan Amount:	$14,000,000
Year 1 Pro forma DSCR:	1.17
Projected Interest Rate:	4.94% (30-year MMD plus 185bp)
Permanent Loan Term:	40 Years
Projected Loan Constant:	5.74%
Tax-Exempt Equity Bridge Loan Amount:	$8,804,946
Projected Interest Rate:	2-year MMD plus 200bp
Loan Term:	6 months
Workforce Housing Loan Amount:	$5,000,000
Projected Interest Rate:	TBD
Permanent Loan Term:	40 Years

Development Notes:

Pac 10 Lofts will rehabilitate part of the Pacific Mills cotton complex, which was constructed in the l890s. The rehabilitation fills a critical need for a well-designed, residential development project in the Gateway City of Lawrence. The project will serve as an important anchor for the neighborhood and provides an opportunity to restore and protect a critical historic resource in Lawrence. Designed as an adaptive reuse project, the rehabilitation of this building will encourage continued investment into the former industrial area.

Pac 10 Lofts will provide 170 new affordable units and ten new market units in downtown Lawrence. The building will be redeveloped in two phases, with Pac 10 Lofts being the first phase. The apartment units will include 40 workforce housing units that are affordable to households earning less than 80% of AMI, 112 tax-credit units that are affordable to households earning less than 60% of AMI, and 18 units that are affordable to households earning less than 30% of AMI. The developer does not anticipate that any of the units will receive project-based rental assistance. The development is 1.5 miles from Routes 495 and 93 and a commuter rail stop is located just one mile away. The first phase will include 160 covered, assigned secure parking spaces located beneath grade and on the first floor of the property. The property will have market finishes and amenities include a fitness center, event space, business/sports center and conference rooms on each level. The breakdown of units is as follows:

Unit Size	Units	TC at 30% AMI	TC at 60% AMI	Workforce Housing	Market
1-BR	82	$409	$882	$1,139	$1,265
2-BR	10	$481	$1,049	$1,440	$1,600
3-BR	88	$549	$1,205	$1,665	$1,850
Total	180				

Elected officials, business leaders, and community activists are excited about the potential for this project to have a transformative effect on Essex Street, formerly Lawrence's primary downtown commercial street. This portion of Essex Street remains densely-packed with nearly 100 historic buildings ranging from one to twelve stories. There are multiple community groups dedicated to revitalizing this area. The addition of well over 500 new residents to the immediate vicinity will catalyze economic activity throughout this area and provide a much-needed mechanism to help make this revitalization self-sustaining.

Development Team:

Borrower:	Taom Heritage Lawrence I, LLC
Sponsor:	Reed Realty Advisors LLC*
Management Agent:	Winn Management
Architect:	AURALITH Architecture LLC*
General Contractor:	Rubicon Builders*/Jim DiGiorno
Attorney:	Holland and Knight/Robert Ruzzo
Development Consultant:	New Seasons Development/Wendy Cohen

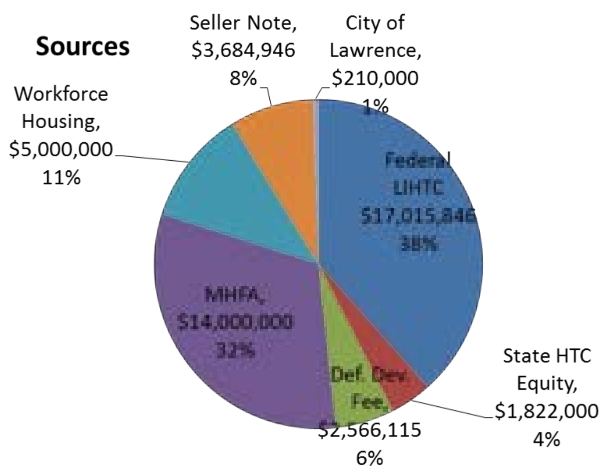
***New to MassHousing**

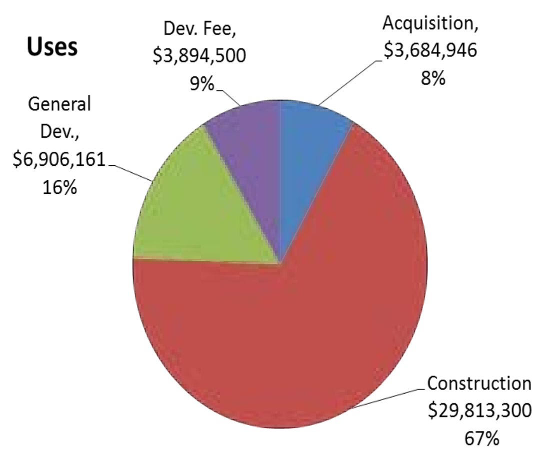
Although the borrower, architect and general contractor are new to MassHousing, they have surrounded themselves with a team of professionals that have extensive experience working on MassHousing transactions. In addition, the principal of Rubicon is Jim DiGiorno, a former executive with Consigli Construction, a firm that MassHousing has worked with in the past.

Financing Detail:

The amount of the MassHousing Permanent and Bridge Loans to be funded with tax-exempt bond proceeds shall be the minimum amount necessary to ensure that over 50% of the aggregate basis of the Development is funded with tax-exempt bond proceeds (the "50% Test"), as determined in accordance with applicable tax code provisions. These loans are scheduled to be funded following construction completion and satisfactory lease up. US Bank Corporation is expected to be both the construction lender and the equity provider. While MassHousing is not the construction lender, we shall fund a permanent loan provided that the Development has achieved 1.10 debt service coverage, calculated based on annualized net operating income divided by debt service where annualized net operating income is calculated utilizing the annualized rental income being achieved at the time minus the greater of: (a) actual annualized operating expenses, or (b) the operating budget included in this Board Package. The tax-exempt bonds will be issued at construction loan closing.

Sources and Uses:





Total Development Cost:	$44,298,907	TDC Per Unit:	$246,105
Total Construction w/ Contingency:	$29,813,300	Construction Per Unit	$165,629

NOTABLE UNDERWRITING ITEMS:

1.) ***Workforce Housing:*** The project is a strong candidate for MassHousing's Workforce Housing program as it plans for the production of 40 new Workforce units (22% of the development) in a transit and amenity-rich neighborhood, without the use of 9% LIHTCs or other DHCD soft debt, thus securing long-term middle-income affordability in downtown Lawrence.

Lawrence's housing stock contains many renovated mill buildings that are either 100% market or 100% affordable. Pac 10 Lofts is taking on the ambitious task of combining the affordable element with our Workforce Housing program, targeting households that don't qualify for most subsidized housing and are unable to afford market rents and home prices. The workforce housing rents are derived from a MassHousing-commissioned market study, and these underwritten rents represent a discount to market rents of 10% and will meet identified demand in the area. Workforce units rent increases will be capped at the lesser of the increase in AMI or 3%.

2.) ***Workforce Housing Units at $125,000/unit exceeds cap:*** MassHousing has determined that it is appropriate to waive the $100,000/unit cap on Workforce Housing funds for this transaction. This deal was originally proposed for 120 units, with 50 Workforce Housing units. When the decrease in tax credit pricing created a funding gap, we worked with the Borrower to put together this current proposal and redo the underwriting diligence with 40 Workforce units. While this proposal exceeds the Workforce Housing cap, we are producing 180 new, mostly affordable units in a Gateway City at a very reasonable total development cost.

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 DHCD 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.

PROPOSAL(S) & VOTES

Official Action Status

Staff has reviewed the development experience and credit-worthiness 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 by the MassHousing Board of Directors:

VOTED: (i) that the Agency grant Official Action Status and consider the application for a permanent loan commitment for the multifamily development known as Pac 10 Lofts (the "Development") at such time as it is submitted; (ii) that this vote 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 $22,804,946 in principal amount for the Development; (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 Code or Treasury Regulations promulgated thereunder.

Mortgage Loans

Staff has reviewed the proposal for permanent and bridge financing and proposes the following vote for approval by the Board:

VOTED: To approve the findings and determinations contained in Attachment B hereto and to authorize (a) a permanent first mortgage loan in a principal amount of up to $14,000,000, with the permanent 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 $8,804,946, in each case to be made to Taom Heritage Lawrence I, LLC or another single-purpose entity controlled by Reed Realty Advisors LLC (the "Borrower") as owner of the multifamily residential development known as "Pac 10 Lofts" (the "Development") and located in Lawrence, Massachusetts, and in accordance with the applicable general closing standards and delegations of authority previously approved by the Board, and further subject to (1) compliance with all applicable laws and all regulations and requirements of applicable financing programs, and (2) the following special condition:

While MassHousing's general closing standard is that it shall not be obligated to fund the Permanent Loan and the Bridge Loan until the Development reaches a level of stabilized occupancy of at least ninety percent (90%) and a debt service coverage ratio of 1.10 for ninety (90) days, if necessary to meet the 50% test at the appropriate time, MassHousing may fund the Permanent Loan and the Bridge Loan once the Development has reached stabilized occupancy of at least 80% and a debt service coverage ratio of 1.10 where debt service coverage is defined as actual annualized rental revenue plus a lease up deficit escrow in an amount and subject to conditions satisfactory to MassHousing less the greater of: 1) underwritten operating expenses or 2) actual annualized operating expenses.

FURTHER VOTED: To approve a subordinate mortgage loan to the Borrower for the Development in an amount not to exceed $5,000,000 (1) to be funded from that portion of the Opportunity Fund approved by the Board on March 8, 2016, designated and reserved for workforce housing programs and (2) subject to the terms and conditions of MassHousing's Workforce Program Guidelines adopted by the Board on July 12, 2016, and to any applicable delegations of authority previously approved by the Board.

FURTHER VOTED: That the amount of 4% Credits, as set by the Executive Director, the Deputy Director, the Director of Rental Lending, the Director of Rental Operations, 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 Lawrence, Massachusetts and known as Pac 10 Lofts (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 Deputy Director, the Director of Rental Lending, the Director of Rental Operations, the General Counsel or the designee of any of the foregoing to set the amount of 4% Credits to be used in connection with the Development applying the standards set forth in the immediately preceding Board vote.

FURTHER VOTED: To authorize the Executive Director and Deputy Director, and their respective designees, to permit the Borrower to enter into, or assume, mortgage loans with third parties with respect to the Development, provided that (1) any such mortgage loans shall be subordinated to MassHousing's mortgage loans, 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.

ATTACHMENT A
OFFICIAL ACTION STATUS FINDINGS

In accordance with the vote of the Board dated June 11, 1996, staff makes the following Official Action Status findings for the proposed project:

1. The Mortgagor/Developer has acceptable multifamily housing development experience and acceptable credit history.

2. The Mortgagor/Developer has demonstrated an arms'-length evidence of site control either by an option agreement, a purchase and sale agreement, a deed, a contract of sale for the site, and/or other legal evidence of site control, with the land price and/or ground lease rent evident.

3. The proposed site is acceptable for the intended housing.

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

ATTACHMENT B
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) Provision of Low-income Set-aside Units
170 units (94%) 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
In-house data for larger market and mixed-income complexes (approximately 1,305 units) in the area revealed a strong rental market. Current occupancy rates of the comparables reviewed averaged approximately 97.9 %, and range between 95.4% and 100%. My review of similar mixed income/subsidized portfolio properties (1,384+ units) demonstrated a weighted average vacancy rate of approximately 3.01%.

REIS, Inc. data (2nd Qt. 2016) for the subject's North Shore/Merrimack River Valley submarket have projected a vacancy rate at 3.3% YTD (5.2% Boston Metro). This rate is projected to increase to 3.7% over the next five years, while the Boston Metro is projected to increase to 6.4%. Vacancies in the North Shore/Merrimack River Valley submarket have averaged approximately 4.3% over the last five years, while the Boston Metro vacancy rate has averaged 4.4%.
Further, *REIS, Inc.* submarket data for the subject's Class B/C building type (19,202 units) indicates a 2nd Qt. 2016 vacancy rate of 2.0% and an average asking rent of $1,475. The existing development, along with the proposed updates/renovations, more closely reflects the Class B/C property type, and is reflected in both the vacancy rate and market rent potential.

None of the comparables reviewed offered concessions, however the use of concessions continues in the Boston Metro and the 2nd Qt. 2016 REIS, Inc. data indicates that the North Shore/Merrimack River Valley submarket is offering .44 months free rent.
According to the Department of Housing and Community Development's (DHCD) Chapter 40B Subsidized Housing Inventory (12/05/14), the City of Lawrence has 27,092 year round housing units, 3,907 (14.4%) of which are subsidized for low/moderate income households.

In addition the City of Lawrence's Comprehensive Housing Study (FY2015) indicated that Lawrence Housing Authority (LHA) manages 1,056 federally assisted units and 522 state assisted units. There are 2,818 applicants including 2,192 Lawrence residents on the federally assisted wait list and 3,000 applicants on state assisted wait list. The Lawrence Housing Authority also manages approximately 1,000 Section 8 Housing Choice Vouchers. Regarding Housing Choice vouchers, Lawrence participates in the Massachusetts Section 8 Housing Choice Voucher Centralized Waiting list.

U.S. Census data (per the 2010-2014 American Community Survey) indicates that approximately 73.8 of the households in the City of Lawrence earned less than the area median income (AMI) of $84,100, 57.1% earned less than 60% of the AMI, and 38.1% earned less than 30% of the AMI.

<u>Based on the market data reviewed, a demand exists for the subject units, both the low-income and market rate units in the City of Lawrence.</u>

(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 not lead to the undue concentration of low-income households. Although it is a low-income development, it is immediately adjacent to a new fully-market development and it is located in an area that includes a mix of residential and retail uses.

(5) Elimination 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 BR	2 BR	3 BR
Number of Units	82	10	88
Net SF/Unit	700	1,100	1,380
Elev. (E) / Non-Elev. (N)	N	N	N
Market Rate Rent			
(10% Rate 20-year term)	$1,246	$1,452	$1,598
MHFA Below Market Rent			
(Cost-based Rent)	$871	$1,077	$1,403
MHFA Rent Adjusted		30% of income	
Underwriting Rents:			
Market Rents	$1,265	$1,600	$ 1,850
WFH at 90% of Market	$1,139	$1,440	$ 1,665
LIHTC <60% AMI	$882	$1,049	$ 1,205
Utility Allowance	$64	$86	$ 107

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.

ATTACHMENT C
UNDERWRITING DETAIL

SOURCES AND USES:

Sources	Total	Per Unit
MH Tax-Exempt C/P Loan	$14,000,000	$77,778
Federal LIHTC Equity	$17,015,846	$94,532
MH Workforce	$5,000,000	$27,778
State HTC Equity	$1,822,000	$10,122
Seller's Note	$3,684,946	$20,472
Deferred Developer Fee	$2,566,115	$14,256
HOME Funds	$210,000	$1,167
Total Sources	**$44,298,907**	**$246,105**
Uses		
Acquisition	$3,684,946	$20,472
Construction	$29,813,300	$165,629
General Development	$6,906,161	$38,368
Developer Fee and Overhead	$3,894,500	$21,636
Total Uses	**$44,298,907**	**$246,105**

FIRST YEAR INCOME AND EXPENSES:

Income and Expense (Year 1)

Gross Potential Residential Income		$2,382,168
Vacancy	3%	($81,332)
Gross Residential Income:		$2,300,836
Other Inc: Commercial, Parking, Laundry		$176,466
Effective Gross Income		$2,477,302
Residential Operating Expenses		$1,539,597
Net Operating Income		$937,705
Debt Service		($803,426)
Cash Flow		$134,279
Debt Service Coverage		1.17

RESIDENTIAL OPERATING EXPENSE DETAIL:

	Total	Per Unit
Management Fee (4%)	$99,092	$551
Administrative Costs	$247,983	$1,378
Maintenance Costs	$354,488	$1,969
Resident Services	$2,500	$14
Security	$49,567	$275
Utilities (gas heat, electric, w/s)	$400,500	$2,225
Insurance	$95,000	$528
MIP	$35,000	$194
Operating Reser.	$11,927	$66
Taxes - Real Estate	$171,540	$953
Replacement Reserves	$72,000	$400
Total	$1,539,597	$8,553
Operating Expenses as a Percent of EGI:		62.1%

ATTACHMENT D
UNDERWRITING MATRIX

Project: Pac 10 Lofts
Loan Amount: $14,000,000
Financing Type: Tax-Exempt
Loan Program: Tax-Exempt Permanent Loan, 50/50 HUD/HFA Risk Sharing

Underwriting Criteria and Loan Terms	Pac 10 Lofts	Underwriting Standards
1. Debt Service Coverage ("DSC")	1.16x	Minimum of 1.10x
2. Term/Amortization	40 / 40	30- or 40-year fully amortizing
3. Loan to Value ("LTV")	TBD	Maximum of 90% based on third party "as-proposed" investment value
4. Tax Credit Rents (60% of AMI)	Market Supported Rents	Lesser of Project-Based Section 8 ("PBS8") contract or market supported rents; OR (b.) lesser of programmatic rent cap or rents supported by MassHousing market review.
Workforce Housing Rents (90% of Market)	Market Supported Rents	"
Market Rents	Market Supported Rents	"
5.Vacancy Allowance	3% LIHTC; 5% WFH 5% Market	Minimum of 2.5% for PBS8; 3% for LIHTC; and 5% for unrestricted or workforce housing units.
6. Affordability	40% at 60% of AMI	MassHousing Statute Minimum: 20% at 80% of AMI; Additional minimums for loans with FHA Insurance, HUD/FFB, Tax-Exempt Bond, and/or Federal LIHTC: 40% at 60% or 20% at 50% of AMI.
7. Annual Deposits to Replacement Reserves	$400 unit/year	Minimum ADRR of $325 unit/year (new construction) or $500 unit/year (rehab). Note: Additional initial deposit to reserves may be required by the 3rd party CNA to fund 20-year capital needs.
8.Operating Expenses/Unit	$8,553	Typically between $9,000 and $12,000/unit.

EXHIBIT B

2022 Loan Commitment Proposal – see following page

Loan Commitment Proposal | May 10, 2022

Pac-10 Lofts, Phase 1

1. General Project Information	
Project Name	Pac-10 Lofts, Phase 1
Project ID	16-004
Associated Projects	None
Address(es)	300 Methuen Street, Lawrence, MA 01840
Sponsor	Reed Realty Advisors LLC
Transaction Type	Production (4%)
Funding Type	Permanent and Conduit Private Placement
Execution Type	Tax-Exempt and Conduit Tax-Exempt
Credit Enhancement	None
Approval Type	Board
Total Rental Units	180
Affordability Mix	130 Affordable 40 Workforce 10 Market

2. Recommended Actions

- Recommitment of Tax-Exempt Permanent Loan with potential Sale of Participation Interest
- Commitment of Tax-Exempt Conduit Loans (Short-Term and Long-Term)
- Recommitment of Subordinate Workforce Housing Loan

The proposed financing of Pac-10 Lofts, Phase 1 (the “Development”) will support the affordability in 170 of the 180 recently developed units in downtown Lawrence. On February 14, 2017, the Agency approved a forward commitment of a permanent loan and an equity bridge loan, for a total of $22,804,906 in tax-exempt financing, to support the adaptive reuse of a portion of the historic Pacific Mill building. Reed Realty Advisors LLC (the “Sponsor”) also admitted U.S. Bancorp Community Development Corporation (“US Bank”) and obtained a construction loan from Sterling Bank (the “Construction Lender”).

Construction on the Development began in March 2018 and was scheduled to be complete in September 2019. The process faced substantial delays including those listed below:

- Natural gas explosions in the Merrimack Valley led to a citywide construction shutdown; this caused a two-month delay.
- Subcontractor error led to water damage in more than half of the units; coupled with a lengthy insurance claim process, this caused an eighteen-month delay.

- COVID-19 lockdowns and protocols also caused ongoing delays and complications.

In addition to delaying the construction timeline, these factors resulted in cost overruns of approximately $22,000,000 and, at the end of 2021, led US Bank to exercise its repurchase right and assign their 99.99% interest in the Company to the Sponsor.

Since that time, the Sponsor has marketed that interest to other parties and secured a Letter of Intent from Affordable Housing Partners Inc, a Berkshire Hathaway Group affiliated company with an anticipated closing in June 2022. With the increased project costs, in order for the project to receive the Low-Income Housing Tax Credits the project must be funded with additional volume cap to meet the so-called 50% test. Further, to allow for the Historic Tax Credit to be maintained a new investor must be admitted prior to completion. Therefore, MassHousing's approval for the additional volume cap is needed to help facilitate this action.

Despite significant delays, cost increases, and the departure of US Bank, the original tax credit partner, the Development remains viable due primarily to the following factors:

1. Significant cost increases are largely tax credit eligible.
2. The "4% LIHTC Fix" legislation, coupled with recently-issued IRS clarifications, create a path that will allow significant additional equity.
3. Lawrence remains an attractive market for multifamily rental housing and, while rent levels dipped during COVID, units at the Development are leasing at levels 15-20% higher than what was underwritten in 2017.
4. Management of occupied units is satisfactory, with strong income-to-expense ratios.

The original MassHousing Permanent Loan Agreement executed with the borrower and Construction Lender has expired, and the new structure, including the potential conduit private placement, presented herein are being considered to fund the deal in a sufficient amount to pass the 50% bond test and make possible the new investment of tax credit equity necessary for financial feasibility. While the Development has encountered numerous obstacles, it is an attractive building in an emerging market that is poised for strong performance over the long term.

3. MassHousing Financing	
First Mortgage Participation Loan	
Type	Permanent
Loan Amount	$11,100,000
Interest Rate	4.83%
Loan Term / Amortization	40 y / 40 y
Conduit Private Placement (Shared First) Loan	
Type	Permanent
Loan Amount	$6,668,000
Interest Rate	4.83%
Loan Term/Amortization	40/40
Combined Year 1 DSCR	1.11 projected (1.10 minimum)
Combined LTV	90% Projected, (90% maximum)
Note: Bonds in the amount of $11,100,000 supporting the Participation Loan were previously issued and are currently outstanding. MassHousing will make that loan and Construction Lender will purchase up to a 100% participation interest in the loan.	
Conduit Private Placement - Equity Bridge Loan	
Type	Tax-Exempt Equity Bridge
Loan Amount	$18,000,000
Interest Rate	4.37%
Loan Term/Amortization	12 mo / interest only
MassHousing Junior Loan	
Type	Workforce Housing
Loan Amount	$5,000,000
Interest Rate	0.0% projected
Loan Term/Amortization	40 y / na
Terms of Cash Flow Sharing	None

4. Development Plan

Description of Site. The Development is located on Methuen Street running parallel to Essex Street, formerly the Lawrence's primary commercial corridor. This portion of Essex Street remains densely-packed with nearly 100 historic buildings ranging from one to twelve stories. There are multiple community groups dedicated to revitalizing this area.

Description of Existing or Proposed Building. The Development is one portion of the former Pacific Mills cotton complex. The Pacific Mills was incorporated in 1853 and the original mills and print works were built by the Essex Company, remodeled in 1882, and enlarged and added to over the many years of its operation. Portions of the complex have been redeveloped as lofts and for other uses.

Pac-10 was conceived in two phases, of which the Development is the first. Currently, this phase is partially complete with 40% of the units occupied under Temporary Certificates of Occupancy. The Owner is working to complete the overall building and receive the Final Certification of Occupancy in the next few months.

Description of Affordability Mix. One-hundred and seventy (170) of the 180 units in the Development are subject to affordability restrictions. Eighteen (18) units will be income-restricted to households at or below 30% of area median income ("AMI") and 112 units will be income-restricted for households at or below 60% of AMI. Forty (40) units will be income-restricted for households at or below 80% of AMI under the Workforce Housing program. The remaining ten (10) units are unrestricted and will be rented at market rates.

Site Control. Site control is evidenced in the form of a deed.

5. Borrower Team

Mortgagor Entity: Taom Pacific I, LLC

A single-purpose limited liability company formed for the purpose of acquiring, developing, and owning Pac-10 Lofts, Phase 1.

Developer / Sponsor: Reed Realty Advisors LLC

Reed Realty Advisors LLC is an affordable housing developer specializing in historic preservation and mixed-use properties and located in Portland, Oregon. Pac-10 Lofts is the firm's 13th development. Since 2009, RRA has developed over 1 million square feet of historic, low income, and new markets tax credit developments. This is the firm's first project in Massachusetts.

General Partner / Managing Member: Taom Heritage LLC

Controlled by Reed Realty Advisors LLC, whose principal is Scott Reed.

Construction Lender: Sterling Bank & Trust

Sterling Bank & Trust provides a comprehensive choice of banking solutions, innovative loan products and personal service to individuals, professionals, businesses and commercial customers. Sterling is based in San Francisco, with branch offices in Los Angeles and New York.

Syndicator / Investor: Affordable Housing Partners, Inc.

Affordable Housing Partners ("AHP" or the "Investor") is a Berkshire Hathaway Group affiliated company. AHP is a 501(c)(3) Non-Profit Organization that collaborates with the National Community Stabilization Trust as well as other State and Federal programs.

Management Company: Winn Managed Properties LLC

WinnCompanies' property management firm 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.

Architect: Auralith Architecture LLC

Auralith Architecture is based in Portland, Oregon.

General Contractor: LaRosa Building Group

LaRosa is based in Lawrence and is committed to demonstrating the same core values: Safety, Professionalism, Integrity, Quality, and Dedication.

6. Summary of MassHousing-Sponsor Relationship	
Number of Projects with MassHousing Debt	-
Total Units with MassHousing Debt	-
Outstanding MassHousing Principal Debt	-
Adverse Actions Against the Borrower Team	No.
Current on Obligations with MassHousing	N/A.
Property Management Affiliate	No.

MassHousing Staff	
Origination	Kathleen Evans, Originator
Underwriting	Dan Staring, Underwriter Jenni Mickool, Analyst
Asset Management	Piia DiMeco, Portfolio Manager

7. Unit Mix

Unit Size	Total Units	LIHTC Eligible						Market	
		LIHTC 30% AMI		LIHTC 60% AMI		Workforce 80% AMI			
		Count	*Rent*	*Count*	*Rent*	*Count*	*Rent*	*Count*	*Rent*
1 BR	82	8	$580	52	$1,162	18	$1,248	4	$1,391
2 BR	10	1	$697	6	$1,394	2	$1,498	1	$1,670
3 BR	88	9	$806	54	$1,611	20	$1,648	5	$1,764
Total	**180**	**18**		**112**		**40**		**10**	

8. Operating Overview

Underwritten OpEx	$1,674,200 (approximately $9,300 per unit)

Basis of Operating Costs. Current property operations and budget provided by management agent.

9. Project Costs

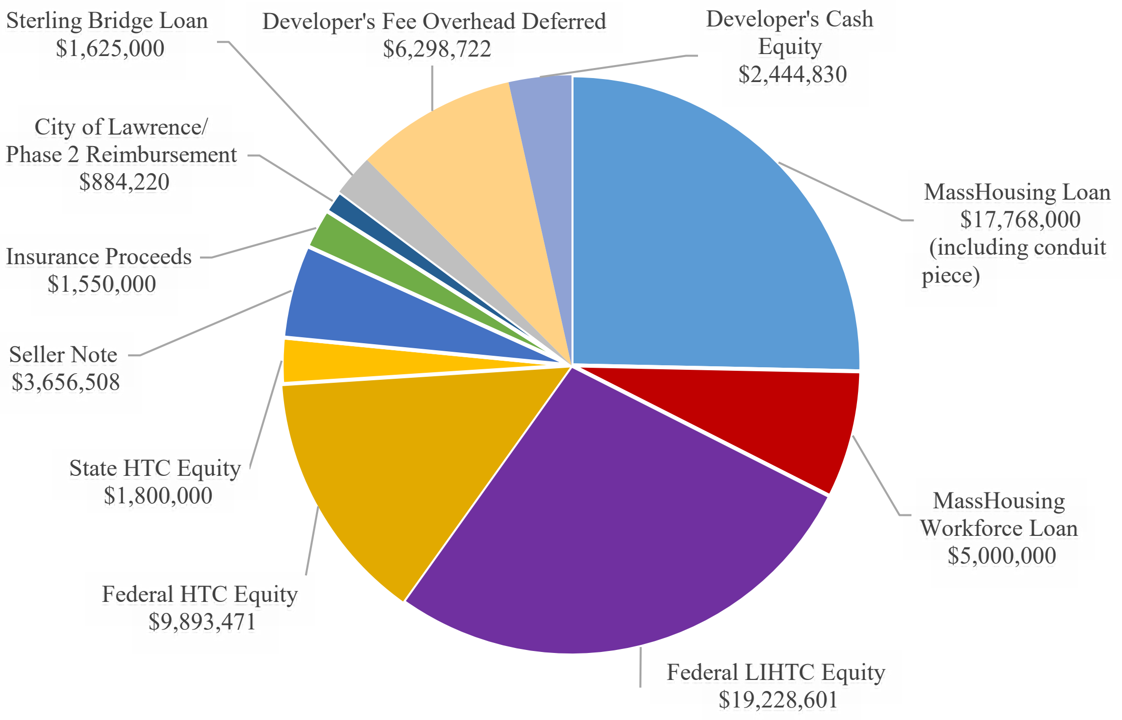
Residential Costs	
Base	$70,149,352
Extraordinary	-
Total	$70,149,352
Construction	$36,286,061
Construction per Square Foot	$195
Commercial Costs	
Total	-
Total Development Cost	
Total	$70,149,352

10. Sources and Uses – Comparison

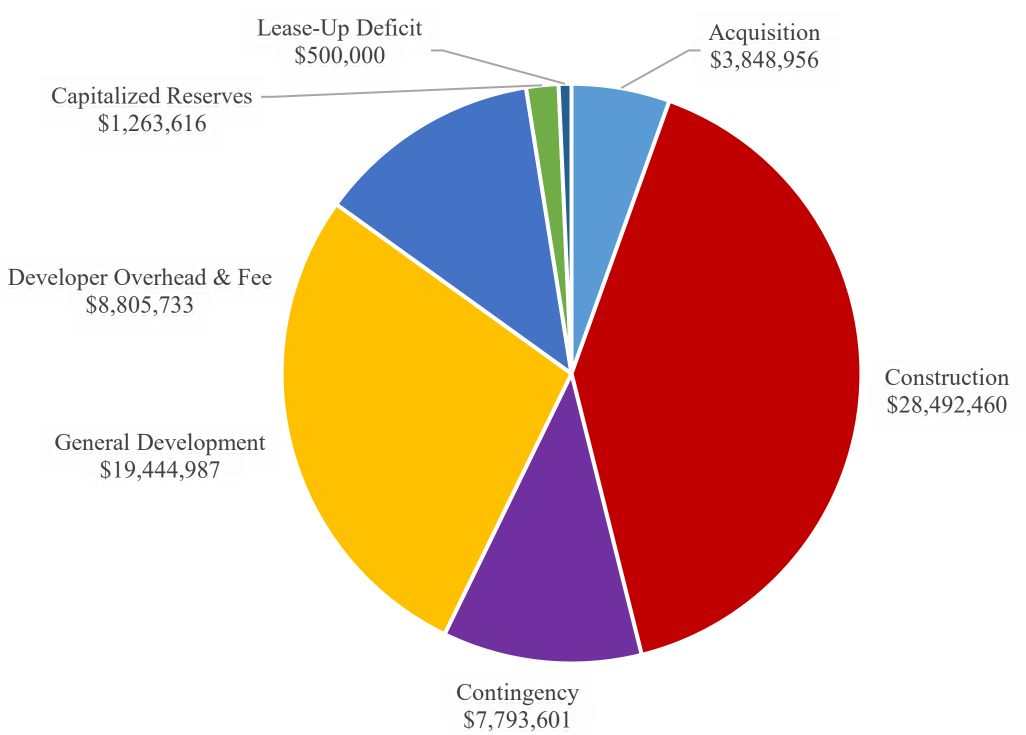
Sources of Funds	Initial Closing March 2018	Revised May 2022
MH Sterling Permanent Loan	$15,000,000	$17,768,000
MH Workforce Loan	$5,000,000	$5,000,000
Federal LIHTC Equity	$8,493,448	$19,223,601
Federal HTC Equity	$7,069,867	$9,893,471
State HTC Equity	$273,300	$1,800,000
Seller Note	$3,656,508	$3,656,508
Insurance Proceeds	$0	$1,550,000
City of Lawrence	$210,000	$210,000
Phase 2 Reimbursement	$674,220	$674,220
Sterling Bridge Loan	$1,625,000	$1,625,000
Deferred Fee and Overhead	$1,908,025	$6,298,722
Developer's Cash Equity	$548,803	$2,444,830
Mass CEC	$250,000	$0
Total Sources	$44,709,171	$70,149,352

Residential Uses of Funds	Initial Closing March 2018	*Per Unit*	Revised May 2022	*Per Unit*
Acquisition	$3,848,956	$21,383	$3,848,956	$21,383
Construction	$27,672,290	$153,735	$36,286,061	$201,589
Construction Loan Interest	$1,483,238	$8,240	$7,073,638	$39,298
MH Bond Carry Costs	-	-	$1,843,811	$10,243
Storage Lease (to Phase 2)	$674,220	$3,746	$1,039,020	$5,772
General Development	$6,019,551	$33,442	$9,488,517	$52,714
Developer Overhead & Fee	3,816,050	$21,200	$8,805,733	$48,921
Capitalized Reserves	$1,194,866	$6,638	$1,263,616	$7,020
Lease-Up Deficit	$0		$500,000	$2,778
Total Uses	$44,709,171	$248,384	$70,149,352	$389,719

Sources



Uses



11. First Year Income and Expenses

Income		
Rental Income – Project-Based Rental Subsidy		$0
Rental Income – Non-Rental Subsidy		$2,914,164
Gross Potential Residential Income		$2,914,164
Vacancy – Project-Based Rental Subsidy		($0)
Vacancy – Non-Rental Subsidy	5.1%	($151,623)
Gross Residential Income		$2,762,541
Commercial Income		$0
Vacancy – Commercial		($0)
Other Income – Parking, Pet Income		$27,000
Effective Gross Income		$2,789,541

Expenses	
Residential Operating Expenses	$1,674,178
Commercial Operating Expenses	$0
Net Operating Income	$1,115,362
Debt Service	($1,004,231)
Cash Flow	$111,131

First Mortgage Debt Service Coverage 1.11

Residential Operating Expense Detail			*Per Unit*
Management Fee	4.0%	$111,582	$620
Administrative Costs		$356,660	$1,981
Maintenance Costs		$363,682	$2,020
Resident Services		$9,700	$54
Security		$6,500	$36
Utilities (water and sewer, hot water)		$452,955	$2,516
Insurance		$55,800	$310
Taxes		$200,880	$1,116
Replacement Reserves		$72,000	$400
Mortgage Insurance Premium		$44,420	$247
Total		$1,674,178	$9,301

Operating Expenses as a Percent of EGI 60.0%

12. Underwriting

1. **Loan Structure.** In 2018, MassHousing issued approximately $22,800,000 in tax-exempt bonds to support the Development. Because of timing issues relating to the bonds, the Agency repurposed approximately $11,700,000 of the aforementioned bonds to support other projects seeking 4% LIHTC; however, the balance of $11,100,000 in bonds are still outstanding.

   The financing detailed in the proposal contemplates two permanent first mortgage loans in the aggregate amount of $17,768,000. The proposal anticipates a First Mortgage Loan of $11,100,000 to be funded from existing tax-exempt bond proceeds; Sterling Bank will purchase a participation interest in this loan. The additional tax-exempt permanent financing needed of $6,678,000 will be provided by a new issue with MassHousing acting as nominal conduit lender with Sterling Bank as bond purchaser. While this structure is anticipated at this time, MassHousing may elect to finance the entire Development with additional tax-exempt proceeds; the votes allow for this change in structure.

   Currently, the $11,100,000 First Mortgage is anticipated to be sold as a 100% participation sale to Sterling. However, MassHousing Staff is evaluating and considering the potential to remain the lender for all or a portion of this First Mortgage Loan. Under this scenario, it will be necessary to waive the Agency's Standard permanent loan conversion requirements pertaining to stabilized operations and the underwriting will be updated to include a lease up deficit escrow in an amount sufficient to mitigate the lease up risk.

   Under either scenario the underwriting in this memo could change based upon Sterling Bank's final terms and conditions. Agency staff are evaluating structuring options in light of cost effectiveness and expediency. Further, the final details of the loans are subject to approval by the Vice President of Multifamily Programs and General Counsel and MassHousing's bond counsel.

2. **Tax-Exempt Bridge Loan:** An additional tax-exempt subordinate Bridge Loan of $18,000,000 is anticipated to be funded through a conduit loan with Sterling Bank as bond purchaser. Again, MassHousing is considering its options with respect to the Development, subject to approval of the Vice President of Multifamily Programs and the General Counsel.

3. **Workforce Housing.** On February 14, 2017, the Agency approved the commitment of a $5,000,000 subordinate Workforce Housing Loan to support the affordability restriction on forty units at the Development with $125,000 per unit. At that time, the financing proposal sought and received approval to exceed the programmatic per unit cap of $100,000. The recommitment of this subordinate loan requires the same approval.

Since that time, the Workforce Housing guidelines have been revised to impose a programmatic per project cap of $3,000,000. As such, this proposal seeks approval to exceed that cap.

4. **Interest Rate.** The loan's interest rates are based on terms provided by Sterling Bank with the interest rate on the $11,100,000 Participation Loan as originally contemplated in MassHousing's prior loan commitment.

Underwriting Criteria and Loan Terms	Pac 10 Lofts	Underwriting Standards
1. DSCR	1.11	Minimum of 1.10
2. Term/Amortization	40 y / 40 y	30-40 y, fully-amortizing
5. Loan to Value	90%	Maximum of 90% based on third party "as-proposed" investment value
6. Underwriting Rents	Programmatic rent cap or rents supporting by MassHousing market review.	Lesser of: • PB-Rental Subsidy contract or market supported rents • Programmatic rent cap or rents supported by MassHousing market review.
7. Vacancy Allowance	3.0% for 30% AMI 5.0% for 60% AMI 6.0% for unrestricted or Workforce	Minimum of: • 2.5% for PB – Rental Subsidy • 3.0% for LIHTC • 5.0% for unrestricted or Workforce housing
8. Affordability	40% at 60% 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
9. Annual Deposits to Replacement Reserves	$400 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.
10. Operating Expenses	Approximately $9,300 unit / year	Typically, between $9,000 and $12,000 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 DHCD as the "housing credit agency" under Section 42 of the Code, which 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.

Pac-10 Lofts, Phase 1

VOTES AND FINDINGS

PROPOSALS AND VOTES

VOTED**:** To approve the findings and determinations set forth below and to authorize a permanent first mortgage loan in a principal amount of up to $11,100,000, to be made to Taom Pacific I, LLC or another single-purpose entity controlled by Reed Realty Advisors LLC (the "Borrower") as owner of the multifamily residential development known as "Pac-10 Lofts, Phase 1" (the "Development") and located in Lawrence, 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, terms and requirements:

(a) Agreement on terms and conditions related to the proposed participation sale between MassHousing and Sterling Bank & Trust, if applicable; (b) Approval by DHCD of the increased amount of tax credits and (c) approval by MassHousing bond counsel of the proposed structure of the transaction.

FURTHER 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 $24,668,000, 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 Executive Director, General Counsel, Financial Director, Comptroller, or Manager of Finance and Bond Compliance, acting singly, and any officer or employee of MassHousing acting in such capacity or otherwise authorized to perform specific acts or duties by resolution of MassHousing (each an "Authorized Officer"), each Authorized Officer, acting singly, being authorized to execute and deliver such agreements and any other documents, instruments, and agreements necessary to effectuate the purposes of a conduit financing, with the proceeds of such issuance to be lent to Taom Pacific I, LLC or another single-purpose entity controlled by Reed Realty Advisors LLC (the "Borrower") as owner of the multifamily residential development known as "Pac 10 Lofts" (the "Development") and located in Lawrence, 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:

(a) Receipt of Sterling Bank's Commitment for the loans contemplated

FURTHER VOTED: To delegate to the Vice President of Multifamily Programs and the General Counsel, jointly, the ability to approve a modification of the structure of the transaction, including, without limitation, a potential increase in the first mortgage loan up to $17,668,000 and a bridge loan of up to $18,000,000; all subject to review of final underwriting, and such terms, conditions, and other diligence as may be required by the Vice President of Multifamily Programs and the General Counsel.

FURTHER VOTED**:** To approve a subordinate mortgage loan to the Borrower for the Development in an amount not to exceed $5,000,000 (1) to be funded from that portion of the Opportunity Fund approved by the Members of MassHousing on March 8, 2016, designated and reserved for workforce housing programs and (2) subject to the terms and conditions of MassHousing's Workforce Program Guidelines adopted by the Members on July 12, 2016, as amended, and to any applicable delegations of authority previously approved by the Members of MassHousing, except that the per unit amount and the total cap of $3,000,000 shall be waived.

FURTHER VOTED**:** That the amount of 4% Credits, as set by the Executive Director, the Vice President of Multifamily Programs, the Director of Rental Business Development, the 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 Lawrence, Massachusetts and known as "Pac 10 Lofts" (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 Executive Director and the Vice President of Multifamily Programs, and their respective designees, each acting singly, to permit the Borrower to enter into, or assume, mortgage loans with third parties with respect to the Development, provided that (1) any such mortgage loans shall be subordinated to MassHousing's first mortgage loan, and other MassHousing debt as determined by the Executive Director 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 his designee.

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:
170 units (94%) 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 3, 2022, and may not fully incorporate the potentially adverse impact(s) that the COVID-19 virus has had on the overall economy or on the local housing markets, since being declared a pandemic by–the World Health Organization (WHO) in March 2020. Further, the reader is cautioned and reminded that any observations, comparisons, and/or conclusions are based on the data as of the aforementioned collection date.

In-house data for larger market and mixed-income complexes (approximately 1,222 units) in the area revealed a strong rental market. Current occupancy rates of the comparable properties reviewed averaged approximately 98.6%, and range between 97% and 100%. None of the comparables were offering concessions.

2nd Qtr. 2022 CoStar data for the subject's Lawrence/Haverhill submarket (9,292 units) has an overall vacancy rate at 4.2% YTD, which is an decrease of .36 % from one year ago. CoStar data for the Boston market 248,755 units) has an overall vacancy rate of 4.0% YTD, which is a decrease of 2.52% from one year ago. The Lawrence/Haverhill submarket vacancy rate is projected to increase to 5.2% over the next five years, while the Boston market is projected to increase to 5.0%.

CoStar, submarket data for the 4-5 Star building type (3,099 units) indicates a 3rd Qtr. 2022 vacancy rate of 3.1% and an average asking rent of $2,052, while submarket data for the subject's 3 Star building type (2,8026 units) indicates a 2nd Qtr. 2022 vacancy rate of 6.5% at an average asking rent of $1,805- and 1-2-Star buildings (3,391 units) indicates a 2nd Qtr. 2022 vacancy rate of 2.0% at an average asking rent of $1,518. 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 Department of Housing and Community Development's (DHCD) Chapter 40B Subsidized Housing Inventory (12/21/20), the City of Lawrence has 27,092 year-round housing units, 4,017 (14.8%) of which are subsidized for low/moderate income households.

In addition, the Lawrence Housing Authority (LHA) manages 1,056 Federally assisted units comprised of 546 family units and 510 elderly/disabled units. The family units are broken does as follows; 111- one-bedroom units, 266- two- bedroom units, 137 -three-bedroom units and 32- four-bedroom units. Per the representative of LHA the wait list for the family units is as follows, 213 applicants for one-bedroom, 363 applicants for the two bedroom units 213 applicants, for the three bedroom 78 applicants for the four- bedroom. Regarding the federally assisted elderly/disabled units, the units are broken down as follow; 81 studios, 504- one-bedroom, and 36-two-bedroom units. Per the representative of LHA the wait list is as follows;1,526 studios and one bedroom units and 29 applicants for the two-bedrooms.

LHA also manages 522 State assisted units comprised of 451 family units and 71 elderly/disabled units. The family units are broken does as follows; 24- one-bedroom units, 247 - two- bedroom units, 170- three-bedroom units and 10-four- bedroom units. Per the representative from LHA, the wait list for the state-assisted family units are as follows; 902 applicants for one - bedroom, 1,525 applicants for two bedrooms, 980 applicants for three bedrooms and 247 applicants for four- bedrooms. Lastly, LHA manages 71 state-assisted elderly/disabled one-bedroom units, per LHA, there are 1,909 applicants on the wait list.

Regarding Section 8 Housing Choice Vouchers, the Lawrence Housing Authority is authorized to administer 998 Section 8 vouchers. Per the representative of LHA, they participate in the Massachusetts Section 8 Housing Choice Voucher Centralized Waiting list and the anticipated wait time is from 5 to 10 years.

U.S. Census data from the 2016-2020 American Community Survey (ACS) indicates that of the 26,551 households in the City of Lawrence, approximately 78.5% earned less than the HUD published 2021 AMI $105,400), 55.7% earned less than 50% of 2021 AMI, approximately 62.7% earned less than 60% of the 2021 AMI and approximately 72.7% earned less than 80% of the 2021 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 not lead to the undue concentration of low-income households. Although it is a low-income development, it is located in a neighborhood experiencing rapidly rising market rents.

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	82	10	88	N/A
Number of Units	82	10	88	N/A
Net SF/Unit	685	1075	1350	N/A
Elev./Non-Elev.	Elevator	Elevator	Elevator	N/A
Market Rate Rent (insert)	$1,623	$1,860	$2,033	N/A
MHFA Below Market Rent (Cost-Based Rent)	$ 1,135	$1,373	$1,546	N/A
MHFA Adjusted Rent	30% of Income			
Underwriting Rents				
30% of AMI	$580	$697	$806	N/A
60% of AMI	$1,162	$1,394	$1,611	N/A
80% of AMI - WFH	$1,248	$1,498	$1,648	N/A
Market	$1,391	$1,670	$1,764	N/A

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

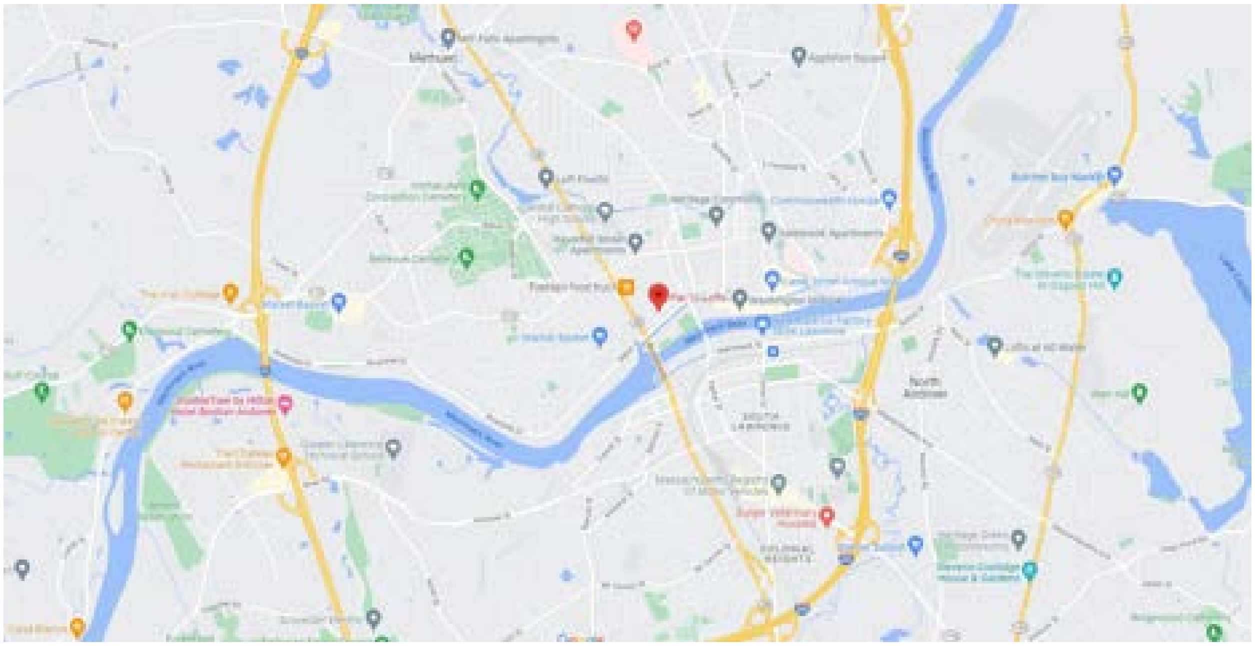


EXHIBIT C

2022 Recommitment and Loan Increase Memo – see following page

M E M O R A N D U M

TO: Colin McNiece, General Counsel
Mark Teden, Vice President of Multifamily Programs

FROM: Daniel C. Staring

DATE: May 12, 2022

RE: **PAC 10 Lofts Phase I (MH#16-004)**
Recommitment and Loan Increase – Delegated Approval

BORROWER: Taom Pacific I, LLC

SPONSOR: Reed Realty Advisors LLC

Background

On May 10, 2022 MassHousing (the "Agency") by vote of Agency Members approved a recommitment and increase of loans, at the request of the Sponsor, for PAC 10 Lofts – Phase I, a 180 unit affordable housing development in downtown Lawrence (the "Development").

This approval identified various potential financing executions being considered to allow for the best approach to be determined based on cost effectiveness and expediency to ensure a successful closing by the end of June 2022. As a result, the ability to approve the final loan structure was delegated as indicated below.

FURTHER VOTED: To delegate to the Vice President of Multifamily Programs and the General Counsel, jointly, the ability to approve a modification of the structure of the transaction, including, without limitation, a potential increase in the first mortgage loan up to $17,668,000 and a bridge loan of up to $18,000,000; all subject to review of final underwriting, and such terms, conditions, and other diligence as may be required by the Vice President of Multifamily Programs and the General Counsel.

Recommendation:

Subsequent to the Board meeting, based on a review of the options available and the underlying constraints, Agency staff have concluded the loans to the Borrower be provided as stipulated directly above such that is not necessary to pursue the other options proposed in the Board votes.

As indicated in the Loan Commitment Proposal presented to the Board this approach requires the following special conditions:

1) Waiver of the Agency's standard permanent loan conversion requirements pertaining to stabilized operations to allow for funding of the MassHousing Loans upon receipt of satisfactory diligence indicating the property has achieved completion.
2) Funding by the Borrower of a lease up deficit escrow in an amount sufficient to mitigate the lease up risk.
3) Admittance of a new tax credit Investor Member with 99% ownership of the Borrower on terms and conditions acceptable to MassHousing.
4) Borrower to pay for all costs incurred on previously issued tax exempt bonds allocated to the project including interest carry costs from August 31, 2019 to the Closing Date.

This memorandum is to request your approval, as delegated by the Board, to provide the increase in the first mortgage loan up to $17,668,000 and a bridge loan of up to $18,000,000; all subject to review of final underwriting and special conditions as indicated.

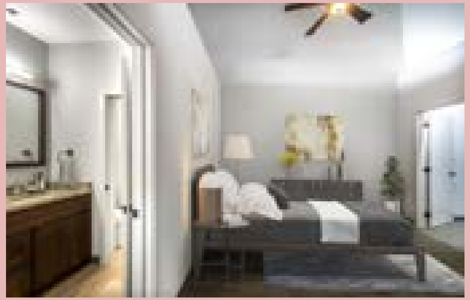
Recommended: Daniel Staring
Daniel Staring, Manager of Production Planning & Strategic Initiatives

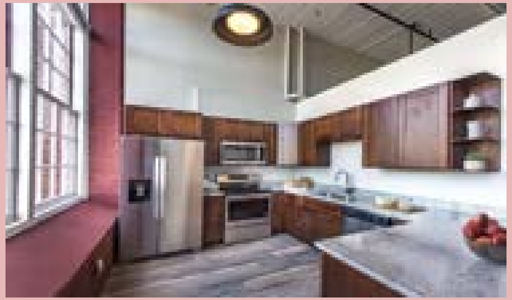
Approved: ________________________
Mark Teden, Vice President of Multifamily Programs

Approved: ________________________
Colin McNiece, General Counsel

Loan Commitment Proposal | January 13, 2026

Pac-10 Lofts, Phase One





Location	300 Methuen Street, Lawrence, MA 01840
Sponsor	WinnDevelopment Company Limited Partnership
Transaction Type	Workout (4%)
Funding Type	First Mortgage Workout and Asset Protection Loan
Execution Type	Balance Sheet
Credit Enhancement	None
MH Risk Rating	Financial: D Physical Condition: D Compliance: D
Total Rental Units	180
Affordability Mix	130 Affordable 19 Workforce 31 Market

MassHousing

Pac-10 Lofts Phase One | Lawrence

Workout Plan

- Modification of Existing Tax-Exempt First Mortgage Loan
  - $6m amortizing First Mortgage
  - $11.8m subordinate cash flow note
- Commitment of new funding from MassHousing
  - $5.2m Asset Protection Loan
  - $2m Capital Magnet Fund Loan
- $800k funding from Investor Member
- Repayment of MassHousing Bridge Loan from tax credit contributions.

Sources and Uses

Source of Funds	Total
MassHousing Subordinate Asset Protection Loan Debt	$5,186,600
MassHousing Capital Magnet Funds	$2,000,000
AHP Capital	$798,510
Existing Replacement Reserves	$41,451
Existing Operating Reserves	$750,777
Federal Tax Credit Equity	$16,127,151
Arrearage Note Bridge & Perm Loan Interest	$4,036,754
Total Sources	**$28,941,243**

Uses of Funds	Total
Repayment of MassHousing Bridge Loan	$16,057,580
Accrued Unpaid Bridge Loan Interest (through 03/31/26)	$1,307,301
Accrued Unpaid Perm Loan Interest (through 03/31/26)	$2,729,453
Reimbursements to AHP (Phase One)	$1,217,200
Reimbursements to AHP (Phase Two)	$182,820
Repair Escrow (Capital Expense – Elevator and Lobby)	$4,303,200
Repair Escrow (Capital Expense – HVAC)	$1,208,684
Replacement Reserve	$316,000
Operating Reserve	$1,000,000
Phase Two Operating Reserve (Taxes, Insurance, Electric)	$180,000
Accounts Payable (Consultants)	$439,005
Total Uses	**$28,941,243**

Borrower Team

Mortgagor Entity	Taom Pacific I LLC
Developer / Sponsor	WinnDevelopment Company Limited Partnership
New General Partner / Managing Member	Pac10 Phase One MM LLC (Winn-controlled entity)
Investor	AHP Housing Fund 318 LLC
Management Company	Winn Managed Properties LLC

Underwriting Notes

1. First Loan Modification
2. Asset Protection Loan
3. Equity Bridge Loan Repayment
4. Investor Member Engagement
5. Capital Needs
6. Ownership

Recommended Votes

- Approval of Level One Transfer of Ownership of the managing member interest in Toam Pacific I LLC to Pac10 Phase One MM LLC.
- Approval of permanent subordinate mortgage loan.
- Authorization to restructure and bifurcate the existing first mortgage loan.
- Authorization of Chief Executive Officer and Vice President of Multifamily Programs to permit the Borrower to enter into, or assume, third party mortgages.

Delinquency Summary Report

Dec 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
INDEP	Options for Independence	12	$187,255	0	$0	0.00%	0.00%
INDEP - Total		**12**	**$187,255**	**0**	**$0**	**0.00%**	**0.00%**
OTHER	Other Subordinate Only	1	$962,518	0	$0	0.00%	0.00%
OTHER - Total		**1**	**$962,518**	**0**	**$0**	**0.00%**	**0.00%**
SECT8PBCA	Project Based Section 8	178	$3,090,000,087	0	$0	0.00%	0.00%
SECT8PBCA - Total		**178**	**$3,090,000,087**	**0**	**$0**	**0.00%**	**0.00%**
SECT8VOUCH	Project Based Section 8 Vouchers	31	$461,453,110	0	$0	0.00%	0.00%
SECT8VOUCH - Total		**31**	**$461,453,110**	**0**	**$0**	**0.00%**	**0.00%**
SHARP	SHARP/ RDAL	3	$43,022,782	0	$0	0.00%	0.00%
SHARP - Total		**3**	**$43,022,782**	**0**	**$0**	**0.00%**	**0.00%**
TAXCREDIT	Tax Credit (4% and/or 9%)	170	$1,546,751,513	1	$33,825,580	2.19%	0.59%
TAXCREDIT - Total		**170**	**$1,546,751,513**	**1**	**$33,825,580**	**2.19%**	**0.59%**
UNSUB	Un-Subsidized	24	$346,078,230	0	$0	0.00%	0.00%
UNSUB - Total		**24**	**$346,078,230**	**0**	**$0**	**0.00%**	**0.00%**
WORKFORCE	Workforce Housing	10	$142,435,675	0	$0	0.00%	0.00%
WORKFORCE - Total		**10**	**$142,435,675**	**0**	**$0**	**0.00%**	**0.00%**
		4	$98,591,252	0	$0	0.00%	0.00%
- Total		**4**	**$98,591,252**	**0**	**$0**	**0.00%**	**0.00%**
Overall - Total		**433**	**$5,729,482,422**	**1**	**$33,825,580**	**0.59%**	**0.23%**

Delinquency Detail

Dec 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	$33,825,580	$19,679,571	36
Overall - Total			**180**	**$33,825,580**	**$19,679,571**	

Delinquency Detail by Investor

Dec 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	$16,057,580	$16,105,146	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	$2,233,010	36
			HOUSING BOND RES 2022A-1	16-004-01	16-004 Pac 10 Lofts, Phase One	180	$6,668,000	$6,668,000	$1,341,415	36
Overall - Total						**180**	**$35,768,000**	**$33,825,580**	**$19,679,571**	

MassHousing

CEO Report

February 10, 2026

Healey-Driscoll Administration Announces $25M Investment in MassHousing Programs

DPA Activity Since 2018

14,803	Total 1st loans
9,259	DPA loans
62%	Received DPA
80%	Below 80% AMI
56%	Borrowers in GWC

At the State of the Commonwealth address, Governor Healey announced a new commitment of **$25 million** to help **expand homebuyer assistance** at MassHousing.

Funds will enhance our **Down Payment Assistance** program – a vital tool for empowering **first-time homebuyers** and expanding access.

Last year **nine of every ten** MassHousing homebuyers utilized down payment assistance – five years ago, it was just **four in ten**.

Over the past five years, MassHousing has provided **$122 million** in DPA to **6,300** new first-time homebuyers.

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In 2024, Governor Healey's **Affordable Homes Act (AHA)** created a new **homeownership tax credit**. This innovative program will support the **development of affordable homeownership units** throughout Massachusetts.

This is an important part of the Healey/Driscoll administration's plan to expand homeownership opportunities for **low- and moderate-income individuals and families**.

This program is funded with **$10 million in tax credits** annually for five years, through CY2029 up to a total of **$50 million**. The utilization of the credits will be governed by a **Homeownership Qualified Allocation Plan (HQAP)** issued by MassHousing.

Program Progress and Next Steps

In December, we held **two open house information sessions** to introduce the program to potential partners.

A **Homeownership Qualified Allocation Plan (HQAP)** will be released shortly, outlining the program's requirements, criteria, timeline, and awards process.

Tax credits will be allocated through a **competitive process** administered by MassHousing.

Applications for tax credits will be evaluated according to a series of criteria in the HQAP, with **readiness to proceed**, **financial feasibility**, and **strength of the development team** among the primary factors.

MassHousing Honored to be Named a 2026 Ivory Prize Finalist

The **BILD Program** has been selected as one of 25 finalists for the **2026 Ivory Prize for Housing Affordability.**

The Ivory Prize is a prestigious national award recognizing **innovative, feasible, and scalable solutions to advance housing affordability**.

Winners will be announced on **May 12**. One winner each from **Construction & Design**, **Policy & Regulatory Reform** and **Finance** (our category) will be awarded **$100,000 in unrestricted grants**.

Thank You!

Questions? Comments?

MassHousing

Massachusetts Housing Finance Agency
One Beacon Street Boston, MA 02108

Tel: 617-854-1000
Fax: 617-854-1091

Relay 711
www.masshousing.com

Posted: February 5, 2026 @ 3:20 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 and a special meeting of Center for Community Recovery Innovations, Inc. ("CCRI") will be held:

Date: **Tuesday, February 10, 2026**

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/85274326632
The Zoom meeting ID is: Meeting ID: 852 7432 6632
The Zoom Passcode is: 502421

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

Attention will be given to the following matters:

1. EXECUTIVE ACTIONS

A. Call to Order

B. Vote Approving the Minutes

- Regular Meeting of January 13, 2026

C. Chief Executive Officer's Report

D. Fiscal Year 2026 Mid-Year Results

E. Votes Delegating Authority to Issue Multifamily Bonds and/or Notes and Votes Delegating Authority to Issue Single Family Bonds and/or Notes

F. Votes Committing CCRI Funds

- Gilly's House, Inc., Wrentham
- Troubled Waters, Inc., d/b/a The Bridge Club of Lowell

2. LOAN COMMITTEE

A. Woods at Wareham, Wareham

- Approval to Accept Assignment of a HUD-Issued Firm Commitment for FHA Insurance
- Commitment of a First Mortgage Loan (the "New Loan")
- Approval to Finance the New Loan through Issuance of a Ginnie Mae MBS

Meeting Notices

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

Accessibility

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

Steps to Join a Zoom Meeting

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

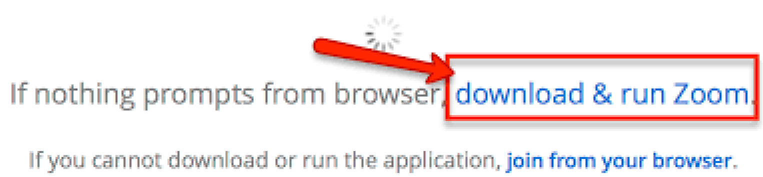
Join Zoom Meeting
https://zoom.us/j/6881564212

Meeting ID: 688 156 4212

One tap mobile
+13126266799,,6881564212# US (Chicago)
+16465588656,,6881564212# US (New York)

Dial by your location
+1 312 626 6799 US (Chicago)
+1 646 558 8656 US (New York)
+1 253 215 8782 US
+1 301 715 8592 US
+1 346 248 7799 US (Houston)
+1 669 900 9128 US (San Jose)
Meeting ID: 688 156 4212
Find your local number: https://zoom.us/u/acgfL1ziEv

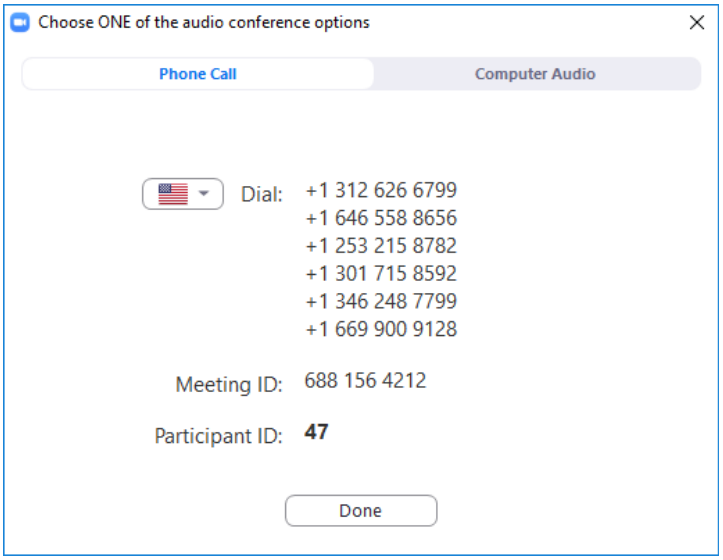
2. Click the link below 'Join Zoom Meeting'.
   NOTE: Simply calling a phone number without "joining the Zoom meeting" will not allow you to see the presentation. Clicking on the link will automatically download the Zoom program (Image below)



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

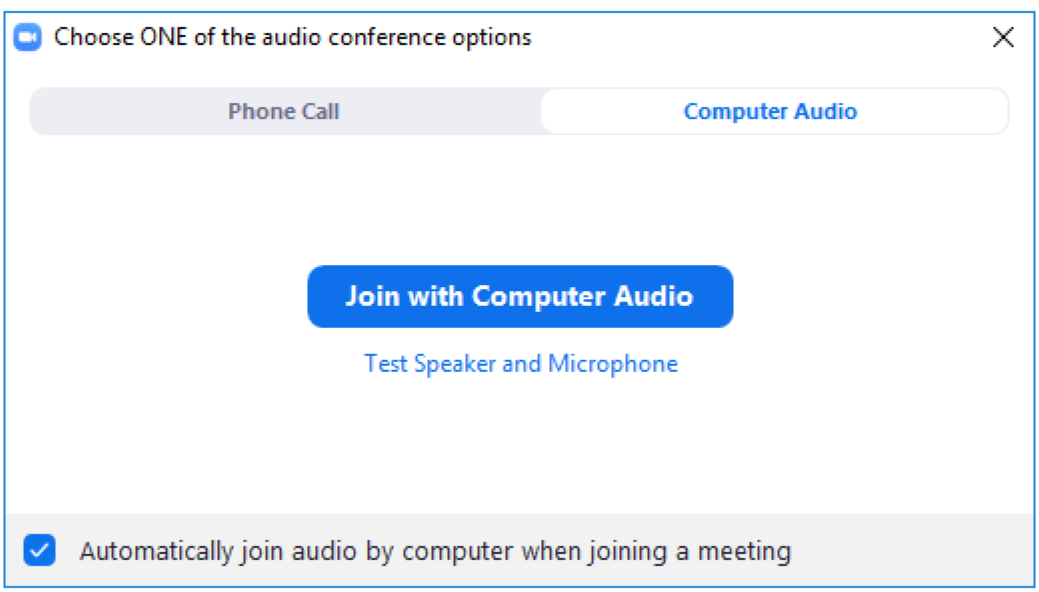
Steps to Join a Zoom Meeting

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



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 January 13, 2026

The regular meeting of the Massachusetts Housing Finance Agency – doing business as MassHousing - was held on January 13, 2026. 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.

Participating remotely were the Members (by roll call):

Board Member	Present	Absent
Jeanne Pinado, Chair		X
Carolina Avellaneda, Co-Vice Chair	X	
Michael Glover, Co-Vice Chair	X	
Ed Augustus, *ex officio*	X	
Bran Shim*	X	
Herby Duverné	X	
Darnell Dunn	X	
Tom Flynn	X	
Carmen Panacopolous	x	

**Designee of Matthew Gorzkowicz, ex officio*

Carolina Avellaneda, acting as Chair, convened the meeting to order at 2:01 p.m.

The Chair indicated that the first order of business was the approval of the minutes of the previous meeting.

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

VOTED: That the minutes of the Regular Meeting held on December 9, 2025 are hereby approved and placed on record.

Chief Executive's Report

Chrystal Kornegay began her brief report with a summary of the 2025 Fourth Quarter activity, saying that twelve (12) deals were committed, and twenty-one (21) deals were closed for a total of $435 million in debt. Ms. Kornegay stated that it was a big year for MassHousing; with a special shoutout to the Legal Department, as this was the most deals closed in December, and most of the deals closed were at the end of December.

Ms. Kornegay then gave a brief status on the Third Floor Build Out; we needed more space for people and more space for meetings. There will be a large conference room space that can be divided into several smaller rooms; it is expected that the renovation will be completed in the Spring of 2026.

The next topic was announcing that MassHousing has its 60th birthday on September 8, 2026, with special events planned for the October Board Meeting, with different events planned to celebrate. Ms. Kornegay stated that as she gets more information she will let everyone know. There is also a planned update to the MassHousing website.

Accessory Dwelling Units ("ADU") Presentation

Mounzer Aylouche presented a new MassHousing program for Accessory Dwelling Units ("ADU") which will be coming soon, to address the housing shortage and rising housing costs. This program was made possible in August 2024 when Governor Healy signed legislation making ADUs a statewide solution to create critical rental stock and promote housing affordability. MassHousing is very well positioned to offer an ADU Mortgage Program, due to our relationships with community lenders and the ability to do loan servicing in-house.

Mr. Aylouche addressed some of the obstacles for homeowners seeking to build an ADU; such as owner preparedness and affordable financing. There is more need for homeowners to have information on building, permitting and financing ADUs. MassHousing's program anticipates that borrowers would come after doing online pre-development work, and have paperwork ready to apply.

Additionally, Mr. Aylouche said that there is not enough data regarding ADUs on appraisals. The solution is to collaborate with the Massachusetts Board of Appraisers and area realtors, for benchmarking samples, and for accurate evaluation.

Mr. Aylouche then addressed financing. He noted that for homeowners, building an ADU is an expensive transaction, coming in around $275 per square foot and that traditionally ADU financing relied on home equity lines of credit which are less available to low-moderate income owners. He then summarized the proposed criteria and guidelines for a new subordinate loan product in which part of the package would be structured as a 0% deferred loan. He noted that the Agency will use $5 million out of the $20 million designated in the Opportunity Fund to establish the program. Criteria will be as follows:

Mr. Aylouche concluded the presentation by saying that lender partner training will begin soon, with an intent to launch in late Spring followed by robust promotion in the summer. The program plans to start writing loans in Summer 2026.

The Chair commended Mr. Aylouche for the work, saying it was a good presentation, and asked if there were any questions.

Herby Duverné remarked that Mr. Aylouche did an excellent job and this presentation took 100% of his attention; he then asked regarding the costs of the loan and whether those costs could be folded into the loan. Mr. Aylouche responded, clarifying first, that the costs of the loan would include traditional loan costs such as the appraisal, closing costs, etc. The technical/pre-development expenses would not be included in the costs of the loan but it is expected that assistance for those costs or services with be available through other components of the Commonwealth's ADU initiative.

Ed Augustus added his appreciation for the ADU Program, he thought the MassHousing partnership with the technical assistance was excellent. He noted that there is a third leg to the Program, a design competition with Boston schools and local architects with cash prizes to the most acceptable plans, the most green design, with the intent of then making these designs free and downloadable so the Borrower can bring them to a contractor. This is going above and beyond to help the Borrower.

Loan Committee

900 Morrisey, Boston (Dorchester)

Mike Carthas presented a proposal for Commitment of a Tax-Exempt Supplemental Conduit Loan and Approval for the Use of Low-Income Housing Tax Credits, as presented in the attached Board package.

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

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

Residences at Quarry Hills, Milton

Brian Robinson presented a proposal for Commitment of Momentum Equity and Commitment of a Subordinate Loan, as presented in the attached Board package.

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

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

Devenscrest Village, Ayer

Tai Pope presented a proposal for Commitment of Workforce Housing Loan, as presented in the attached Board package.

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

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

PAC-10 Lofts, Phase One, Lawrence

Dan Staring presented a proposal for First Mortgage Modification; Approval of Level One Transfer of Ownership to New Managing Member; and Commitment of Asset Protection Loan, as presented in the attached Board package.

The Chair remarked that this was a really complicated restructuring, and without the hard work and diligence of all involved, it wouldn't have gotten to this point. She noted that there was a lot of discussion regarding this matter at Loan Committee, and that the MassHousing staff recommends the proposed actions.

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

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

There was none.

There being no other business to consider, the meeting adjourned at 2:44 p.m.

A true record.

Attest.

____
Colin M. McNiece
Secretary

Materials:

- Minutes of the Meeting of December 9, 2025
- CEO's Report, January 13, 2026
- Board Package, January 13, 2026

MassHousing

CEO Report

February 10, 2026

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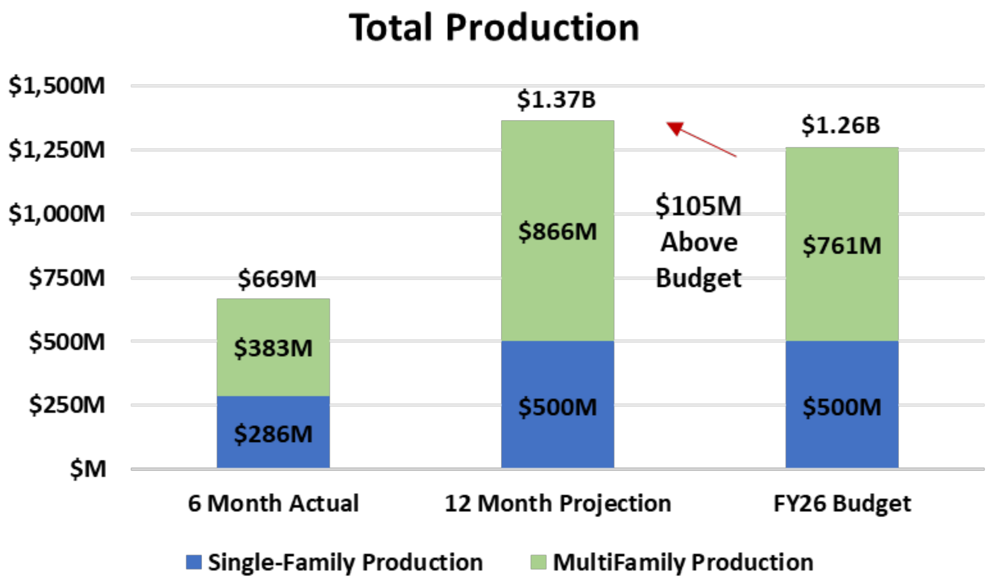
Questions? Comments?

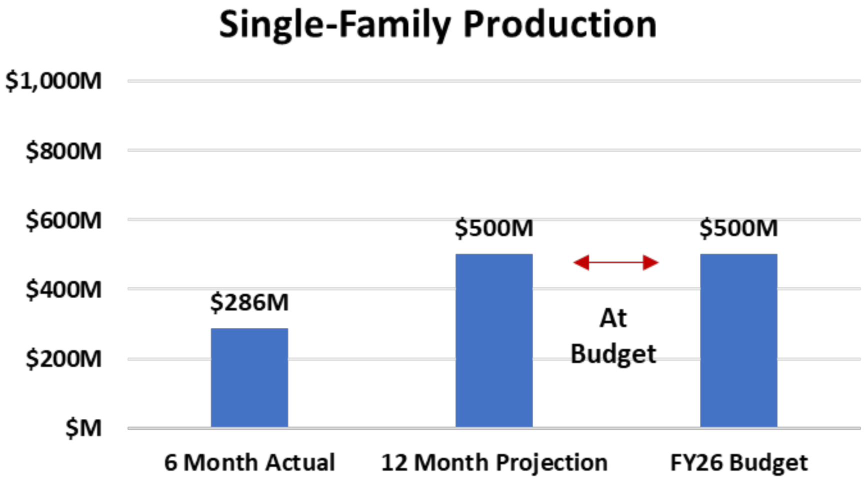
Fiscal Year 2026 Mid-Year Results

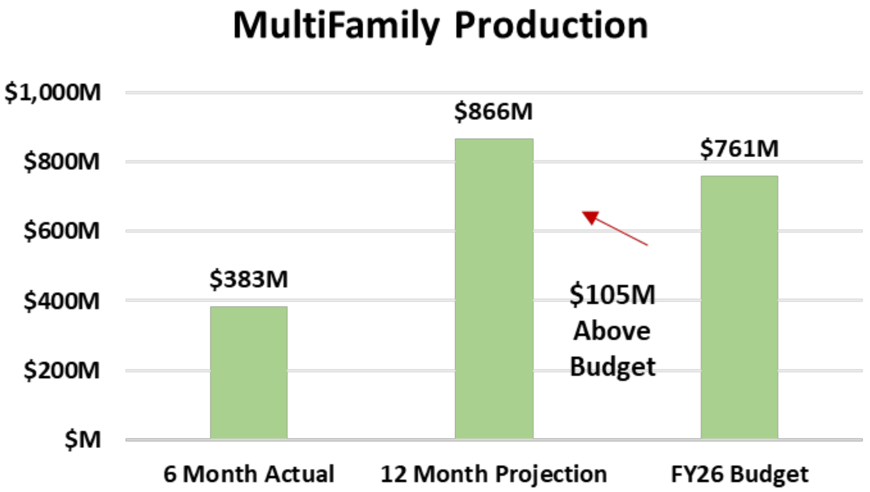
MassHousing Board of Directors

February 10, 2026

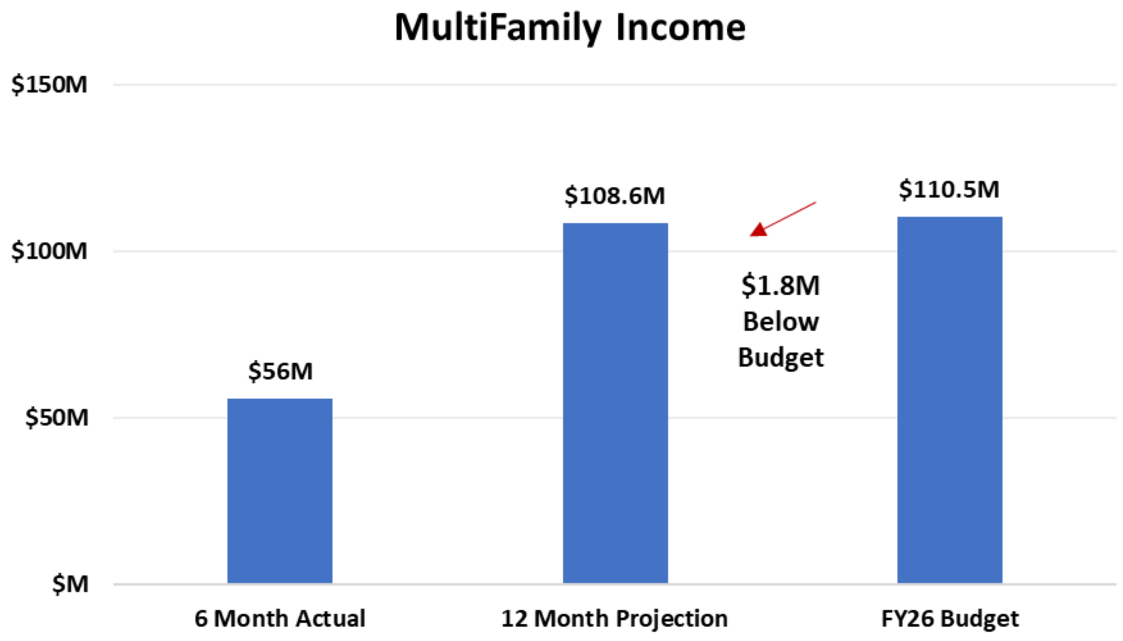
FY26 Production







FY26 Multifamily Income



FY26 Projected Multifamily Income is $1.8M Lower than the FY26 Budget

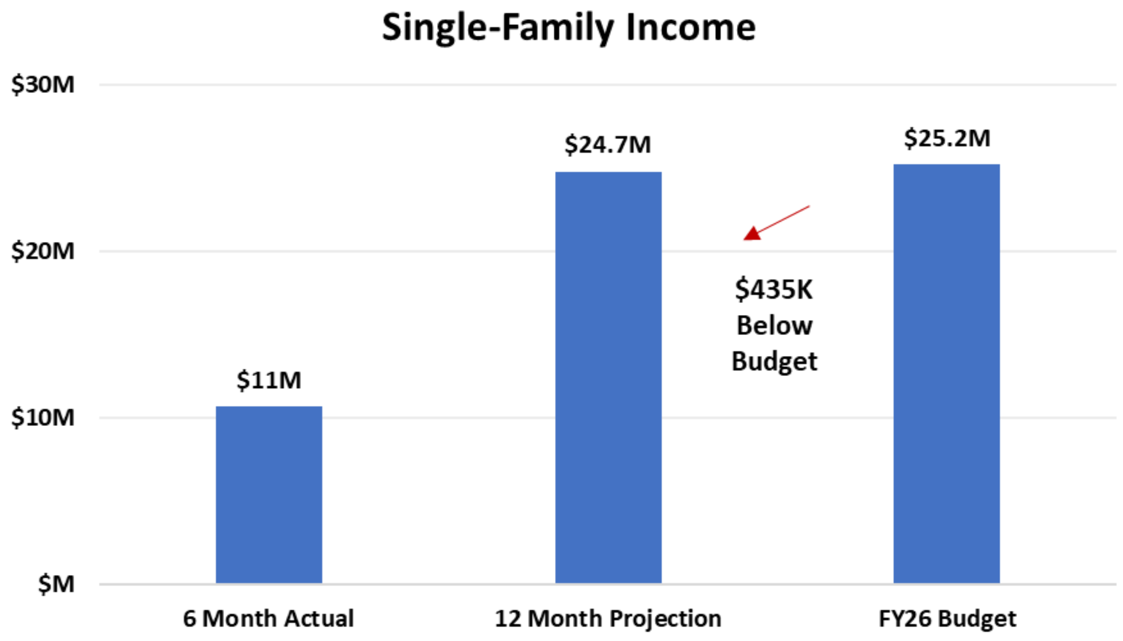
Drivers:

- Multifamily Lending Income is higher by $1.5M
- Multifamily Servicing Income is higher by $1.3M

Offset by

- Multifamily Net Interest Spread is lower by $4.6M

FY26 Single-Family Income



FY26 Projected Single-Family Income is $435K Lower than the FY26 Budget

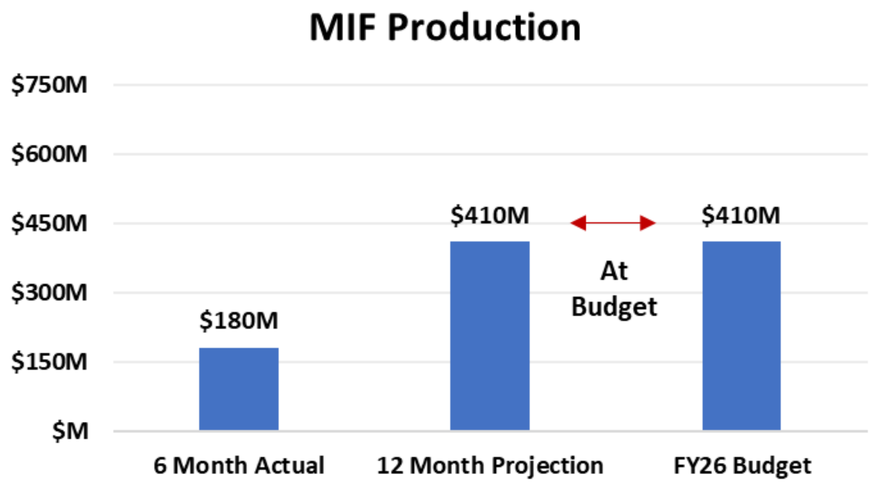
Drivers:

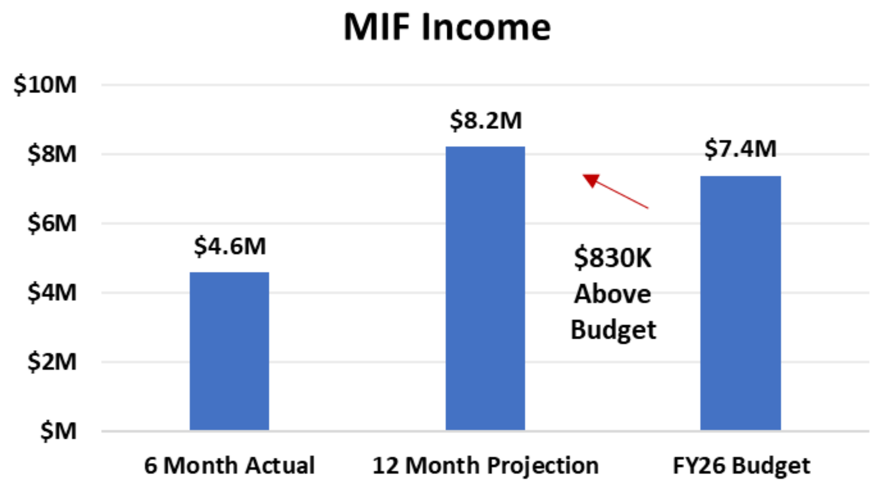
- Single-Family Servicing Income is higher by $200K
- Single-Family Lending Income is higher by $145K

Offset by

- Single-Family Net Interest Spread is lower by $650K
- Servicing Rights Premium (SRP) purchased is higher by $130K

FY26 Mortgage Insurance Fund





FY26 Projected MIF Net Income is $830K Higher than the FY26 Budget

- MIF Production is at budget

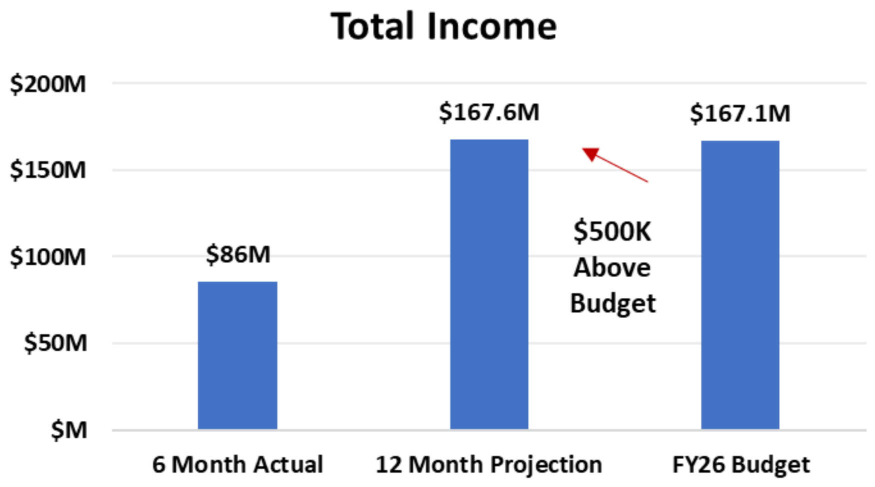
Income Drivers:

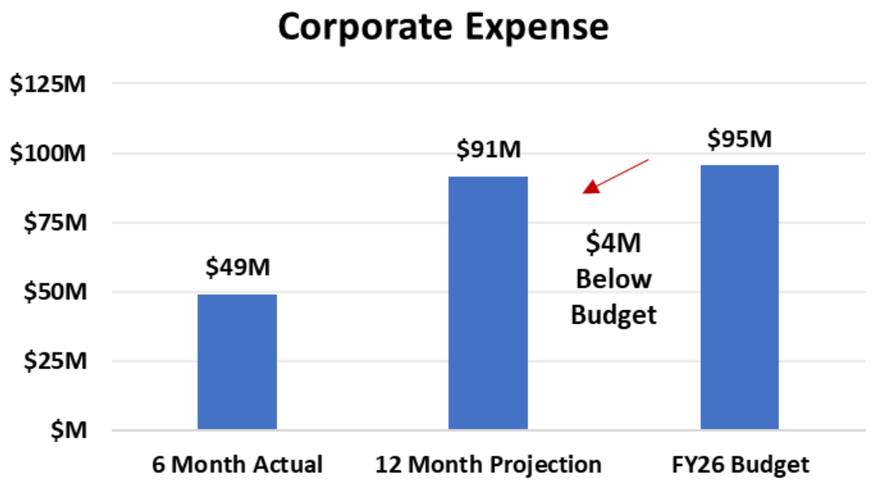
- Investment Income is higher by $745K
- Paid Claims, net is lower by $130K

Offset by

- Fee Income is lower by $45K

FY26 Financial Overview – Excluding Grant Activity





Income Drivers (Projected):

- Corporate Income is higher by $1.6M
- Multifamily Lending Income is higher by $1.5M
- Multifamily Servicing Income is higher by $1.3M
- MIF Income is higher by $830K
- Mission Income is higher by $350K
- Single-Family Lending Income is higher by $145K

Offset by

- Multifamily Net Interest Spread is lower by $4.6M
- Single-Family Net Interest Spread is lower by $650K

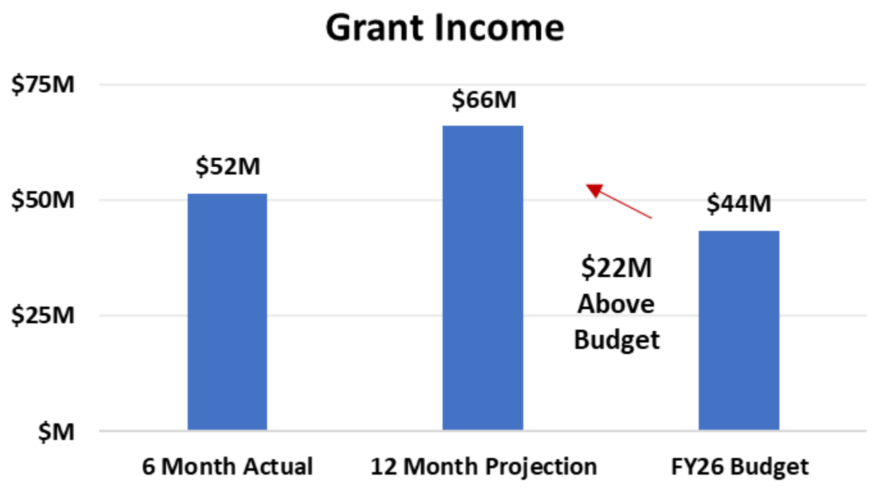
Expense Drivers (Projected):

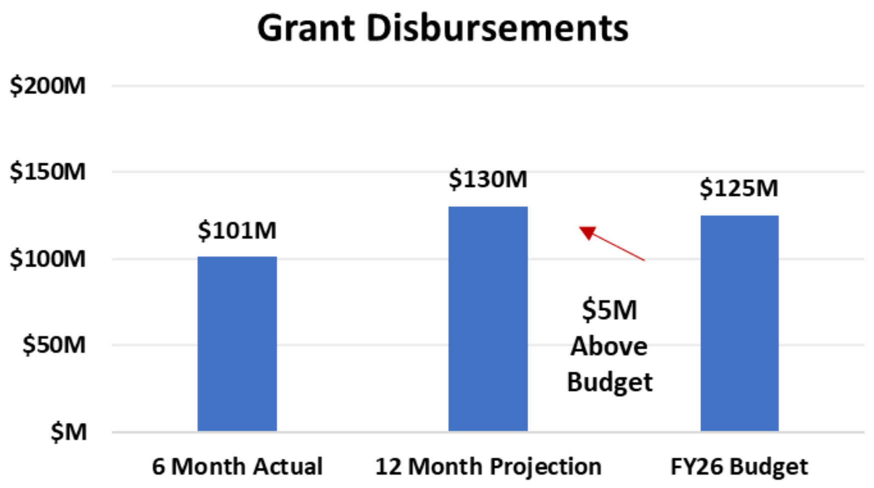
- Mission Related Expenses from the Working Capital Fund are lower by $2.5M
- IT Costs are lower by $850K
- Payroll & Payroll Added Costs are lower by $450K
- Operating Costs are lower by $500K

Offset by

- Leasing Costs are higher by $275K
- Professional Services Costs are higher by $30K

FY26 Grant Income & Disbursements





- **Total Projected Grant Income is $66M**
  - CommonWealth Builder Program - $29M
  - Workforce Housing Program - $13M
  - Neighborhood Stabilization Program - $8M
  - Momentum Fund - $8M
  - Other Grant Programs - $8M

- **Total Projected Grant Disbursements are $130M**
  - CommonWealth Builder Program - $87M
  - Workforce Housing Program - $15M
  - Neighborhood Stabilization Program - $8M
  - Mass Community Climate Bank - $7M
  - Other Grant Programs - $13M

FY26 Corporate Expenses

FY26 Projection vs. Budget Summary (In Thousands)					
Corporate Expenses	**6 Month Actual**	**12 Month Projection**	**FY26 Budget**	**Projection vs. Budget**	**% of Change**
Payroll and Related Personnel Expenses	$ 35,903	$ 62,254	$ 62,696	$ (442)	-0.7%
Professional Services	$ 2,433	$ 4,869	$ 4,841	$ 28	0.6%
Information Technology	$ 4,517	$ 10,768	$ 11,621	$ (854)	-7.3%
Leased Office Space, net	$ 3,045	$ 5,828	$ 5,565	$ 263	4.7%
Operating Costs	$ 2,102	$ 4,413	$ 4,905	$ (492)	-10.0%
SUBTOTAL	**$ 48,000**	**$ 88,132**	**$ 89,628**	**$ (1,496)**	**-1.7%**
Mission Related Expenses from the WCF	**$ 1,014**	**$ 3,327**	**$ 5,814**	**$ (2,487)**	**-42.8%**
TOTAL	**$ 49,014**	**$ 91,459**	**$ 95,442**	**$ (3,983)**	**-4.2%**

MassHousing

FY26 Net Income (Includes Grant Activity)

FY26 Projection vs. Budget Summary (In Thousands)	6 Month Actual	12 Month Projection	FY26 Budget	Projection vs. Budget	% of Change
MultiFamily Income	$ 55,690	$ 108,571	$ 110,455	$ (1,884)	-1.7%
Single-Family Income	$ 10,639	$ 24,742	$ 25,177	$ (435)	-1.7%
Mortgage Insurance Fund Income	$ 4,563	$ 8,191	$ 7,364	$ 826	11.2%
Mission Initiatives (Includes Grant Activity) - Net	$ (42,097)	$ (50,666)	$ (68,591)	$ 17,925	26.1%
Corporate Income	$ 7,685	$ 12,710	$ 11,067	$ 1,643	14.8%
Corporate Expenses	$ (49,014)	$ (91,459)	$ (95,442)	$ 3,983	-4.2%
NET INCOME	**$ (12,534)**	**$ 12,089**	**$ (9,970)**	**$ 22,059**	**221.3%**

FY26 Net Income (Excludes Grant Activity)

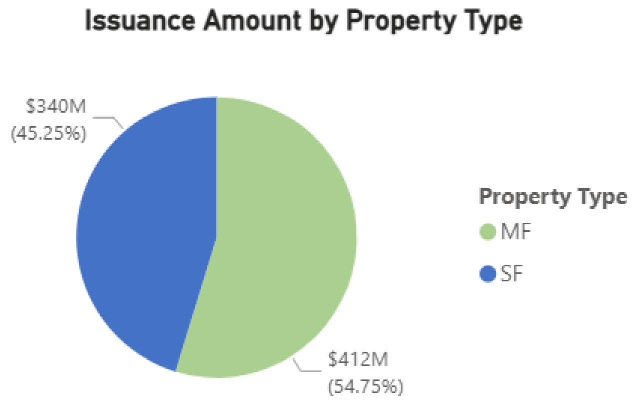
FY26 Projection vs. Budget Summary (In Thousands)					
	6 Month Actual	12 Month Projection	FY26 Budget	Projection vs. Budget	% of Change
MultiFamily Income	$ 55,690	$ 108,571	$ 110,455	$ (1,884)	-1.7%
Single-Family Income	$ 10,639	$ 24,742	$ 25,177	$ (435)	-1.7%
Mortgage Insurance Fund Income	$ 4,563	$ 8,191	$ 7,364	$ 826	11.2%
Mission Initiatives (Excludes Grant Activity) - Net	$ 7,305	$ 13,393	$ 13,044	$ 349	2.7%
Corporate Income	$ 7,685	$ 12,710	$ 11,067	$ 1,643	14.8%
Corporate Expenses	$ (49,014)	$ (91,459)	$ (95,442)	$ 3,983	-4.2%
NET INCOME	**$ 36,868**	**$ 76,148**	**$ 71,665**	**$ 4,483**	**6.3%**

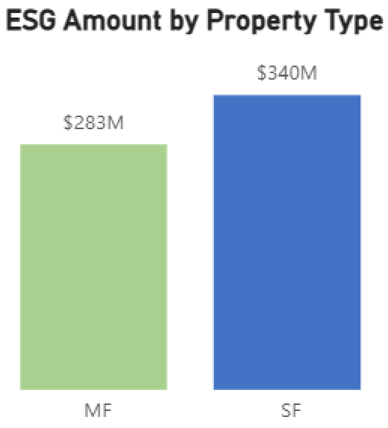
Appendix - Additional Information

- FY26 Bond Financing
- Housing Data
- Market Data

MassHousing

Appendix: FY26 Bond Financing

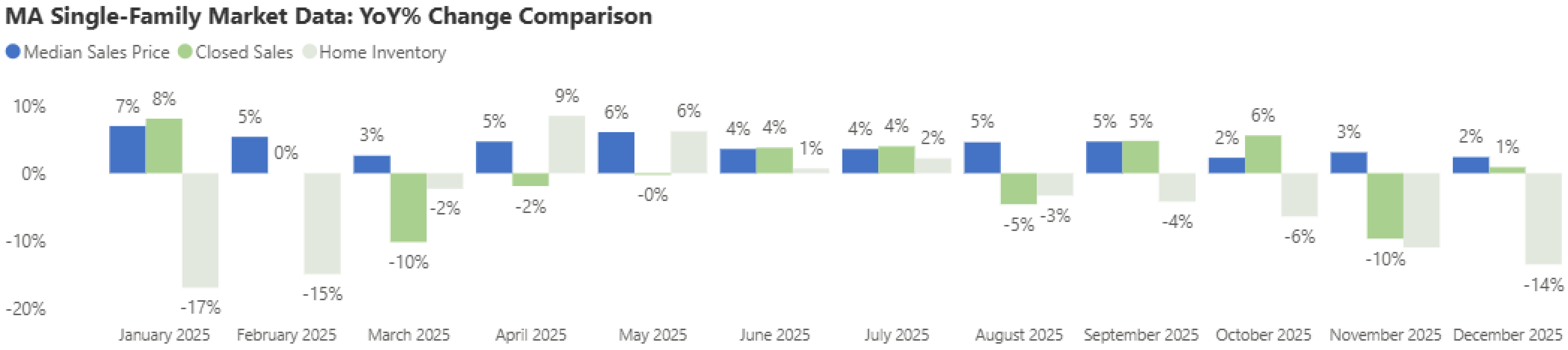




MF and SF Bond Financing Detail

Fiscal Year	Issue Date	Property Type	Bond Resolution	Series Designation	Financing Amount	Taxable/Tax-Exempt	ESG/Non-ESG
2026	9/4/2025	SF	Single Family Housing Revenue Bonds	Series 245	$4,110,000	T/E	ESG
2026	9/4/2025	SF	Single Family Housing Revenue Bonds	Series 246	$60,780,000	T/E	ESG
2026	9/4/2025	SF	Single Family Housing Revenue Bonds	Series 247	$78,640,000	Taxable	ESG
2026	9/4/2025	SF	Single Family Housing Revenue Bonds	Series 248	$50,000,000	Taxable (VR)	ESG
2026	9/11/2025	MF	Housing Bonds	2025 Series A	$62,660,000	Taxable (VR)	Non-ESG
2026	9/11/2025	MF	Housing Bonds	2025 Series B	$40,960,000	Taxable	Non-ESG
2026	12/10/2025	MF	Housing Bonds	2025 Series C-1	$88,750,000	T/E	ESG
2026	12/10/2025	MF	Housing Bonds	2025 Series C-2	$20,095,000	T/E	ESG
2026	12/10/2025	MF	Housing Bonds	2025 Series C-3	$174,185,000	T/E	ESG
2026	12/10/2025	MF	Housing Bonds	2025 Series D	$25,000,000	T/E	Non-ESG
2026	12/17/2025	SF	Single Family Housing Revenue Bonds	Series 249	$62,385,000	T/E	ESG
2026	12/17/2025	SF	Single Family Housing Revenue Bonds	Series 250	$34,305,000	Taxable	ESG
2026	12/17/2025	SF	Single Family Housing Revenue Bonds	Series 251	$50,000,000	Taxable (VR)	ESG
Total					**$751,870,000**		

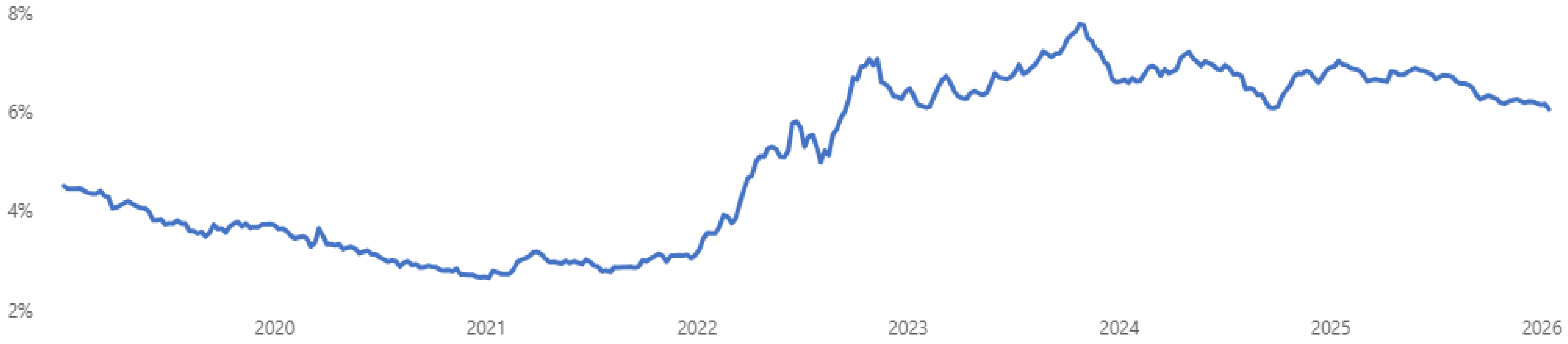
Appendix: Housing Data



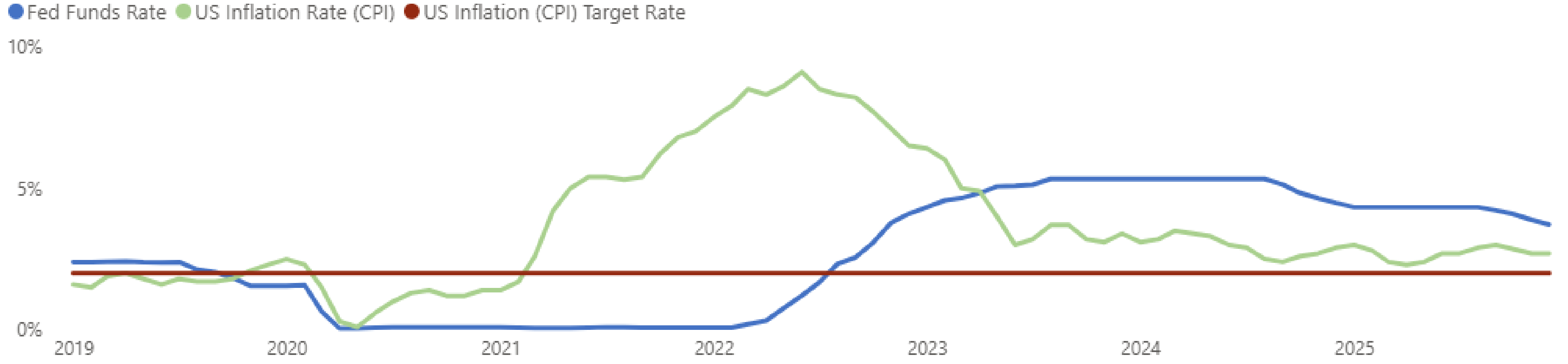
Appendix: Housing Data

Appendix: Market Data

US 30YR Mortgage Rate



Fed Funds Rate and US Inflation Rate (CPI)



MEMORANDUM

To: Agency Members

From: Rachel Madden

Re: Multifamily and Home Ownership Delegation Votes

Date: February 10, 2026

Attached are delegation votes of authority to issue (i) Multifamily bonds and/or notes to finance up to $1.0 billion using a mix of fixed rate and/or hedged or unhedged variable rate debt; and (ii) Home Ownership bonds and/or notes to finance up to $800 million using a mix of fixed rate and/or hedged or unhedged variable rate debt.

These delegation votes, along with the memorandum from MassHousing's Multifamily and Home Ownership Financial Advisor cfX Incorporated ("cfX"), will satisfy the requirements of the State Finance and Governance Board (SFGB) with respect to any potential derivative contracts associated with MassHousing financings.

The cfX memos are attached and provide detailed explanations of the potential financings through the end of calendar year 2026.

Please let me know if you have any questions.

Finance Delegation Votes

Presentation to the

MassHousing Board of Directors

February 10, 2026

Multifamily and Homeownership Delegation Votes

- **$1.0 billion delegation of authority to issue Multifamily Mortgage Revenue Bonds through calendar year 2026**
    - Ability to issue variable rate debt with associated hedges – 94% of Resolution debt is fixed rate providing ample capacity for more variable rate debt without stress on the Resolution
    - Financial Advisor memo recommending bond structures consistent with debt, swap and investment policies and with current bond ratings
- **$800 million delegation of authority to issue Single Family Mortgage Revenue Bonds through calendar year 2026**
    - Ability to issue variable rate debt with associated hedges – 88% of Resolution debt is fixed rate providing ample capacity for more variable rate debt without stress on Resolution
    - Ability to finance Down Payment Assistance program
    - Financial Advisor memo recommending bond structures consistent with debt, swap and investment policies and with current bond ratings

RENTAL DEVELOPMENT PARAMETERS RESOLUTION

WHEREAS, the Massachusetts Housing Finance Agency ("MassHousing") has previously adopted various general bond and note resolutions (the "General Resolutions") authorizing the issuance of bonds and/or notes for the purposes of financing or refinancing Rental Development Mortgage Loans and Construction Loans, refunding other obligations of MassHousing and establishing reserves therefor;

WHEREAS, in order to finance or refinance certain Rental Development Mortgage Loans and Construction Loans approved by MassHousing (the "Loans") to be designated by an Authorized Officer, MassHousing desires to provide for the adoption of one or more series resolutions pursuant to the General Resolutions authorizing the issuance of one or more series of bonds and/or notes;

WHEREAS, in furtherance of the provision of mixed income residential facilities, workforce housing and other housing available to low and moderate income persons and families in the Commonwealth, MassHousing desires to provide for the adoption of one or more series resolutions pursuant to the General Resolutions, authorizing the issuance of one or more series of bonds and/or notes;

WHEREAS, MassHousing desires to adopt such resolutions and agreements as may be necessary to effectuate the foregoing purposes and to provide for the modification of such resolutions to the extent necessary; now, therefore, be it

RESOLVED, by the Members of MassHousing as follows:

Section l. MassHousing hereby adopts one or more Series Resolutions (the "Series Resolutions"), authorizing the issuance of Bonds and/or Notes under one or more of MassHousing's existing rental development programs with an aggregate principal amount not to exceed $1,000,000,000 (the "Obligations"). The Series Resolutions shall be in substantially the form previously used by MassHousing, with such changes as shall be deemed necessary in accordance with Section 4 of this Resolution. The Obligations may be issued in one or more series or subseries. Any Obligations issued pursuant to this resolution shall be sold on or prior to December 31, 2026.

Section 2. The Series Resolutions shall provide that the Obligations to be issued thereunder and any related interest rate swap agreements or other hedge agreements, as authorized below, shall be secured by and payable from any and all Revenues in accordance with the General Resolutions. MassHousing's obligations under the Obligations, any such swap or hedge agreements or any Related Agreement deemed necessary in accordance with Section 5 of this Resolution may also be secured as a general obligation of MassHousing.

Section 3. The Obligations shall be sold to one or more members of MassHousing's approved underwriting team in accordance with the terms of one or more bond purchase agreements in substantially the forms previously used by MassHousing with respect to its rental development bond programs, with such changes, interest rates, redemption provisions and maturity schedules as shall be approved by an Authorized Officer, and the same are authorized to execute and deliver the bond purchase agreements. The Obligations (i) may be sold on a tax-exempt basis, provided they do not bear interest at rates and are not sold at prices such that the yield on the Obligations exceeds the yield on 30-year Municipal Market Data index ("MMD") by more than 300 basis points, (ii) may be sold on a taxable basis under federal tax law, provided they do not bear interest at rates and are not sold at prices such that the yield on the Obligations exceeds the yield on 10-year U.S. Treasury securities by more than 400 basis points and (iii) may bear interest at fixed rates or at one or more variable rates determined in accordance with the provisions of the applicable Series Resolution; provided that at no time shall the outstanding principal amount of Obligations bearing interest at variable rates exceed $250,000,000. The Obligations may be sold at a purchase price which reflects an aggregate underwriting fee or discount of not more than 2% of the principal amount of the Obligations issued.

Section 4. The Chief Executive Officer, Chair, or Chief Financial and Administrative Officer are each hereby authorized, acting singly, (i) to take whatever action is necessary, not inconsistent with this vote, to carry out the issuance and sale of the Obligations including, without limitation, determining the amount of fixed rate and variable rate to be issued and the rates, terms and conditions thereof, including the series designations, the dates of issuance and sale, the maturities and interest payment dates, the redemption or tender dates, if any, and the establishment of funds and accounts under the applicable resolution, to account for the proceeds thereof and (ii) to approve and execute such changes, additions and revisions to the Series Resolutions, including Series Resolutions with respect to Bonds previously issued under the applicable General Resolution, and the documents and agreements referred to herein and therein as are necessary to effectuate the purposes thereof and the purposes set forth in this resolution.

Section 5. In connection with the issuance of any Obligations, MassHousing hereby approves (i) the delivery of one or more Preliminary Official Statements, in substantially the forms previously used by MassHousing, (ii) the execution by an Authorized Officer and delivery of one or more final Official Statements, with such additions, deletions or other changes from the corresponding Preliminary Official Statements as are deemed advisable by the Authorized Officer executing the same, and (iii) the delivery and, as applicable, execution by an Authorized Officer, of any supplements or amendments to such Preliminary Official Statements and/or Official Statements as are deemed advisable by the Authorized Officer delivering and, as applicable, executing the same.

Section 6. In connection with the issuance of any Obligations, MassHousing may enter into one or more remarketing agreements, standby bond purchase agreements, letter of credit and reimbursement agreements or other credit enhancement or liquidity agreements with respect to the Obligations ("Related Agreements"). The form of such Related Agreements shall be approved by an Authorized Officer, and the same are authorized to execute and deliver such agreements and to amend, extend and/or replace the same from time to time.

Section 7. In connection with any variable rate Obligations, MassHousing may enter into, and may thereafter amend, replace or terminate, one or more interest rate swap agreements, forward rate transactions, forward bond purchase transactions, cap transactions, floor transactions, collar transactions, rate lock transactions or other similar transactions to fix or otherwise limit the variability of the effective rate on the Obligations. The pricing and fixed rate under such agreements and transactions shall not exceed the yield on 30-year MMD by more than 300 basis points, if the related Obligations are tax-exempt, and the yield on 10-year U.S. Treasury securities by more than 400 basis points, if the related Obligations are taxable. The form of such interest rate swap agreements and the rates, terms and conditions thereof shall be approved by an Authorized Officer, and the same are authorized to execute and deliver such agreements.

Section 8. MassHousing authorizes any Authorized Officer, to submit the proposed terms of any transaction authorized above to the State Finance and Governance Board as may be necessary for such board's review in accordance with Section 98 of Chapter 6 of the General Laws, as amended, and the regulations promulgated thereunder.

Section 9. As used in this Resolution, the term Authorized Officer shall mean MassHousing's Chair, Chief Executive Officer, Chief Financial and Administrative Officer, Chief Legal and Operating Officer, General Counsel, Comptroller, Senior Director of Capital Markets, Senior Director of Finance, and any officer or employee of MassHousing acting in such capacity, or any other Authorized Officer of MassHousing as defined in the General Resolutions.

Section 10. This resolution shall take effect immediately.

Submitted: February 10, 2026

A RESOLUTION OF THE MASSACHUSETTS HOUSING FINANCE AGENCY ADOPTING SUPPLEMENTAL RESOLUTIONS AND/OR SUPPLEMENTAL TRUST INDENTURES RELATED TO THE ISSUANCE AND SALE OF NOT EXCEEDING $800,000,000 AGGREGATE PRINCIPAL AMOUNT BONDS AND/OR NOTES AND AUTHORIZING OFFICERS OF MASSHOUSING TO APPROVE CHANGES THERETO AND AUTHORIZING THE NEGOTIATION AND APPROVAL OF CERTAIN OTHER DOCUMENTS IN CONNECTION THEREWITH

WHEREAS, the Massachusetts Housing Finance Agency ("MassHousing") previously (i) adopted its Single Family Housing Revenue Bond Resolution (as amended to date, the "Resolution") and (ii) entered into a Trust Indenture relating to its Residential Mortgage Revenue Bonds (Mortgage-Backed Securities) (as amended to date, the "Trust Indenture"), each authorizing the issuance of bonds and/or notes for the purposes of financing or refinancing Whole Mortgage Loans, Home Improvement Loans, Cooperative Housing Loans or Mortgage-Backed Securities, refunding other obligations of MassHousing and establishing reserves therefor, as applicable, all in furtherance of MassHousing's Home Ownership Program;

WHEREAS, in order to maintain the continuity of the Home Ownership Program, and in furtherance of the provision of owner-occupied, single-family housing to low and moderate income persons and families in the Commonwealth, MassHousing desires to provide for (i) the adoption of one or more supplemental resolutions pursuant to the Resolution and (ii) the execution of one or more supplemental trust indentures pursuant to the Trust Indenture, authorizing the issuance of one or more series of bonds and/or notes to finance or refinance certain Whole Mortgage Loans and Mortgage-Backed Securities, as applicable, approved by MassHousing (collectively, the "Loans") to be designated by an Authorized Officer;

WHEREAS, MassHousing desires to adopt such resolutions and agreements as may be necessary to effectuate the foregoing purposes and to provide for the modification of such resolutions to the extent necessary; now, therefore, be it

RESOLVED, by the Members of MassHousing as follows:

Section l. MassHousing hereby (i) adopts one or more Supplemental Resolutions (the "Supplemental Resolutions"), authorizing the issuance of Bonds and/or Notes under the Resolution, and (ii) approves the execution of one or more Supplemental Trust Indentures (the "Supplemental Trust Indentures"), authorizing the issuance of Bonds under the Trust Indenture, with an aggregate principal amount not to exceed $800,000,000 (the "Obligations"). The Supplemental Resolutions and the Supplemental Trust Indentures shall be in substantially the forms previously used by MassHousing, with such changes as shall be deemed necessary in accordance with Section 3 of this resolution. The Obligations may be issued in one or more series and shall be secured by and payable from (i) in the case of Obligations issued under the Resolution, any and all Revenues in accordance with the Resolution and (ii) in the case of Obligations issued under the Trust Indenture, the security and collateral set forth in the applicable Supplemental Trust Indenture. Any Obligations issued pursuant to this resolution shall be delivered on or before December 31, 2026.

Section 2. MassHousing hereby adopts a Supplemental Resolution, which may be part of or separate from the Supplemental Resolutions authorized in Section 1 above, for the purpose of amending the Resolution to set forth therein the treatment of hedging transactions entered into with respect to Bonds and/or Notes issued under the Resolution.

Section 3. The Obligations shall be sold to one or more members of MassHousing's approved underwriting team in accordance with the terms of one or more bond purchase agreements in substantially the forms previously used by MassHousing with respect to its single family housing revenue bond programs, with such changes, interest rates, redemption provisions and maturity schedules as shall be approved by an Authorized Officer, and the same are authorized to execute and deliver the bond purchase agreements. The Obligations issued under the Resolution may be issued and sold as (i) one or more series of "Fixed Rate Bonds" or "Variable Rate Bonds" or "Compound Interest Bonds" or "Discount Bonds," (ii) one or more series of Notes or (iii) "Tender Bonds," as each such term is defined in the Resolution. The Obligations may be sold at a purchase price which reflects an aggregate underwriting fee or discount of not more than 2% of the principal amount of the Obligations issued.

Section 4. The Chief Executive Officer, Chairman, Vice President of Home Ownership Programs or Chief Financial and Administrative Officer are each hereby authorized, acting singly, to take whatever action is necessary to carry out the issuance and sale of the Obligations including, without limitation, determining the amount of fixed rate, variable rate, compound interest or discount bonds to be issued and the terms and conditions thereof, including the series designation(s) thereof, the date or dates of issuance and sale thereof, the maturity and interest payment dates thereof, the redemption or tender dates, if any, therefor and the establishment of funds and accounts under the Resolution or the Supplemental Trust Indenture, as applicable, to account for the proceeds thereof. The Chief Executive Officer, Chairman, Vice President of Home Ownership Programs or Chief Financial and Administrative Officer are further authorized, acting singly, to make such changes, additions and revisions to the Supplemental Resolutions, the Supplemental Trust Indentures and the documents and agreements referred to herein and therein, as are necessary to effectuate the purposes thereof and the purposes set forth in this resolution.

Section 5. In connection with the issuance of any Obligations, the distribution of one or more Preliminary Official Statements by an Authorized Officer is hereby approved. The Authorized Officers are each hereby authorized to permit the distribution of one or more final Official Statements, with such changes, omissions, insertions and revisions from the preliminary form thereof as they shall deem advisable and made pursuant to the bond purchase agreement authorized in Section 2 above, and to execute such final Official Statements.

Section 6. In connection with the issuance of any Obligations, MassHousing may enter into one or more remarketing agreements, standby bond purchase agreements, credit enhancement agreements or other liquidity agreements with respect to the Obligations ("Related Agreements"). The form of such Related Agreements shall be approved by an Authorized Officer, and the same are authorized to execute and deliver such agreements.

Section 7. In connection with the issuance of any Obligations, MassHousing may enter into one or more interest rate swap transactions, forward rate transactions, forward bond purchase transactions, cap transactions, floor transactions, collar transactions, rate lock transactions or other similar transactions ("Transactions"). The Authorized Officers are authorized to enter into such Transactions and to execute and deliver all agreements necessary or desirable therefor with one or more financial institutions selected by such Authorized Officers, and to pledge and apply such collateral held under the Resolution or the Supplemental Trust Indenture or otherwise held by MassHousing as shall be required by any such Transaction or any insurance therefor, subject to the pledge of any such collateral held under the Resolution or the Supplemental Trust Indenture, as applicable, for the benefit of the holders of all bonds and notes outstanding thereunder, in each case on such terms and conditions as such Authorized Officers shall determine to be in the best interest of MassHousing.

Section 8. The Authorized Officers are, and each of them is, authorized in their discretion to obtain a commitment from an Insurer (as such term is defined in the Resolution) selected by such Authorized Officers to insure all or any portion of the principal and interest payable on the Obligations issued under the Resolution on such terms and conditions as such Authorized Officers shall determine is in the best interests of MassHousing and approve (which terms and conditions shall be set forth in the applicable Supplemental Resolution). If MassHousing shall obtain an insurance policy from an Insurer to insure the Obligations issued under the Resolution, the Authorized Officers are further authorized to execute and deliver such agreements with the Insurer, or to include provisions in the Supplemental Resolutions, containing such terms, covenants and undertakings of MassHousing, as such Authorized Officers shall determine to be in the best interest of MassHousing.

Section 9. In the event the Obligations are not issued prior to the maturity date of all or any portion of any bonds (the "Prior Bonds") to be refunded with proceeds thereof, the Authorized Officers are, and each of them is, authorized in their discretion to draw amounts under the Second Amended and Restated Revolving Loan Agreement dated November 9, 2017, by and between MassHousing and Bank of America, N.A., as previously amended and as it may be further amended from time to time, sufficient to pay the principal amount of such Prior Bonds and to apply such amounts to such payment on such maturity date, provided that the amount so drawn shall be repaid from the proceeds of the Obligations upon the issuance thereof as provided in the Supplemental Resolutions.

Section 10. MassHousing may make or finance, on an interim basis, certain Loans, which costs are reasonably expected to be paid or reimbursed with the proceeds of debt to be incurred by MassHousing in the maximum amount of $800,000,000 and with respect to any such expenditures, this resolution is intended to satisfy the technical requirements of Treasury Regulations §1.150-2(d)(1).

Section 11. MassHousing authorizes any Authorized Officer to submit the proposed terms of any transaction authorized above to the State Finance and Governance Board as may be necessary for their review in accordance with Section 98 of Chapter 6 of the General Laws, as amended, and the regulations promulgated thereunder.

Section 12. As used in this resolution, the term Authorized Officer shall mean MassHousing's Chairman, Vice Chairman, Treasurer, Secretary, Chief Executive Officer, Vice President of Home Ownership Programs, Chief Financial and Administrative Officer, Chief Legal and Operating Officer, General Counsel, Comptroller, Senior Director of Finance and Senior Director of Capital Markets, or any person serving in any of the foregoing positions in an "Interim" or "Acting" capacity at the direction of the Members of MassHousing, any Member of MassHousing, or any other Authorized Officer of MassHousing as defined in the Resolution or a Supplemental Trust Indenture.

Section 13. This resolution shall take effect immediately.

Submitted: February 10, 2026

55 Broadway
Suite 2608
New York, New York 10006
TELEPHONE (212) 431-5800
FAX (212) 431-6520

C F X   I N C O R P O R A T E D

Memorandum

Date: February 10, 2026

To: **MassHousing**
Rachel Madden, Chief Financial & Administrative Officer
Paul Scola, Senior Director of Capital Markets

From: **cfX Incorporated**
Benjamin Madorsky, President
Jeremy Obaditch, Managing Director
Chuck Karimbakas, Managing Director
Alex Fields, Managing Director
Teresa Chan, Director
Seth Webb, Associate

Re: **Multifamily Program: Review of Variable Rate Debt and Interest Rate Swap Opportunities for Submission to State Finance and Governance Board**

A. Introduction

cfX has been engaged by the Massachusetts Housing Finance Agency ("MassHousing") to identify and examine the benefits and risks associated with incorporating variable rate debt in furtherance of its Multifamily program. To date, MassHousing has almost exclusively used fixed rate debt to purchase Multifamily loans to be held in the Housing Bond Resolution (the "Resolution"). Today approximately 94% of the outstanding debt in the Resolution is fixed rate. The addition of new variable rate debt, in reasonable amounts, and in combination with interest rate swaps to reduce interest rate risk, will enable MassHousing to lower the future cost of debt. This will allow MassHousing to provide lower mortgage rates to its borrowers, maintain positive net income and balance sheet growth, and preserve the high ratings of "Aa2" and "AA+" assigned by Moody's Investors Service Inc. ("Moody's") and S&P Global Ratings ("S&P"), respectively.

This memorandum reviews the various types of variable rate debt and interest rate swaps available to MassHousing and examines the potential benefits and risks associated with these instruments in the context of the Resolution. Each of the proposed debt structures, swaps, counterparties and other components of future transactions in the Resolution will conform with all MassHousing requirements including delegation votes, its Swap Policy, the Debt Management Policy and the Investment Policy (collectively, "MassHousing Policies").

B. Types of Variable Rate Debt Instruments

Today's municipal bond market provides MassHousing with the opportunity to substitute a portion of the fixed rate debt that will be issued in the future with various types of variable rate debt instruments. Some of the more well-established variable rate debt instruments used in the municipal bond market today utilized by state housing agencies include Variable Rate Demand Bonds ("VRDBs") and Floating Rate Notes ("FRNs"). All variable rate debt instruments provide bond investors with an interest accrual rate that is reset on a specified frequency that can be daily, weekly, monthly or longer. Payment of the actual interest due on variable rate debt is traditionally semi-annual or monthly for housing issuers. Both VRDBs and FRNs are well established debt instruments in the municipal bond market and have been used by state Housing Finance Agencies ("HFAs") around the country to help finance the purchase of Multifamily and Single Family loans.

VRDBs differ from FRNs in several ways. VRDBs require a remarketing agent, typically an investment bank, to reset the interest accrual rate based on market feedback, at regular intervals. VRDBs also include a "put" or optional tender feature that allows investors to return their bonds to the issuer at a price of par if they no longer wish to own the bonds, at the time of each interest rate reset. At this point the remarketing agent is obligated to find new investors to purchase the bonds. Tender dates are typically the same as interest rate reset dates. To support the remarketing agent, all VRDBs must also include a Standby Bond Purchase Agreement, or other equivalent so-called "liquidity facility". This is provided by a financial institution who will purchase the bonds from the issuer if the remarketing agent is unable to find enough investors to purchase the tendered bonds at the time of the interest rate reset. The provider of the liquidity facility, or the counterparty, is an important aspect of VRDBs as investors will typically require an interest rate that is based in part on the name and credit quality of that counterparty. MassHousing VRDBs would be expected to be secured by liquidity facilities offered only by highly rated providers in compliance with MassHousing Policies.

VRDB remarketing agent agreements are specified for the life of the bonds, with a specified fee in the five to eight basis points per year range. Counterparty risk that the remarketing agent will be unable to fulfill its duties exists for all issuers of VRDBs. Replacement of a poorly performing or disabled remarketing agent occurs occasionally.

VRDB liquidity facility agreements are specified for terms ranging from one to seven years in today's market. Longer terms require higher annual fees, and most agreements priced in today's market are made in the three to five year range at rates of generally between 20 and 40 basis points per year. An issuer will be required to renegotiate the terms of the liquidity facility at the end of the term with the existing counterparty or solicit bids from other providers. During the debt crisis many low rated liquidity facilities were replaced before contract expiration by more highly rated counterparties. Issuers of VRDBs have both counterparty risk associated with the provider of the facility and renewal risk that the rate for the next specified term will be higher than the previous term.

FRNs, Floating Rate Notes, are variable rate debt instruments where the interest rate is based on a specified benchmark index, such as the tax-exempt SIFMA index (Securities Industry and Financial Markets Association Municipal Swap Index) or the taxable SOFR index (Secured Overnight Financing Rate), plus a spread for a specified initial term, typically three to seven years. At the end of the initial term, a mandatory tender occurs that requires all FRN investors to return their bonds to the issuer for cancellation. At the end of the initial term, the issuer may re-issue the bonds as FRNs using a similar or different index, spread or term and a new mandatory tender date. An issuer may also decide to retire the debt or convert the debt to VRDBs or fixed rate debt.

If the issuer is unable to execute the mandatory tender and pay the principal and interest due on the bonds, the variable interest rate escalates to a pre-set, high fixed rate, such as 9%, that incentivizes the issuer to find a solution to redeem the bonds quickly. This so called "Soft Put" feature of FRNs, which are typically designed to avoid an event of default under the Resolution even if the tender fails, is an attractive feature for issuers who have adequate liquid investments or cash to repay FRNs if market access is unavailable.

Tax-Exempt FRNs use 100% of the weekly SIFMA index or typically 67-70% of a taxable index, and taxable FRNs use 100% of a taxable index. Interest is reset on a pre-specified frequency that can be weekly, monthly or longer. A fixed spread, in basis points, is determined by the underwriter at the time of the initial sale that reflects the credit quality of the issuer and to compensate the investor for the lack of any short term "put" feature or liquidity facility that is available in a VRDB. The spread is added to the index rate to arrive at the total variable interest rate for any period. FRNs do not require a remarketing agent or a liquidity agreement, and spreads have sometimes been lower than the combined cost of the fees for remarketing and liquidity in the VRDB market, sometimes making FRNs an attractive substitute for VRDBs. However, recently FRN spreads have been significantly higher than the combined cost of VRDBs and most issuers have chosen VRDBs over FRNs. While issuers do not have counterparty risk with FRNs, they do have renewal risk – that at the time of the mandatory tender the market-based spread to the benchmark index, or the overall interest rates in the market, will be higher than the prior term. FRNs also require a full remarketing and re-issuance of the bonds as opposed to the potential extension of an existing SBPA agreement supporting a VRDO. FRN remarketing costs can be as much as 0.5% of the par amount of the bonds compared to SBPA extension legal costs that might be only one-tenth of FRN costs. Table 1 below summarizes several differences between VRDBs and FRNs.

Table 1. Summary of Variable Rate Debt Instruments

Type	Public or Private Placement	Remarketing Agent	Liquidity Facility	Rate Reset	Counterparty Risk	Renewal Risk
VRDB	Public	Yes	Yes	Remarketing	Yes	Yes
FRN	Both	No	No	Index	No	Yes

C. Types of Interest Rate Swaps

In conjunction with the sale of any form of variable rate debt, many issuers choose to enter into an interest rate swap with a selected counterparty. This allows an issuer to hedge all or a portion of their exposure to future rising short-term interest rates. A standard interest rate swap for an issuer of variable rate bonds is designed such that an issuer pays a fixed rate of interest in return for receiving a variable rate of interest. In simple terms, this allows an issuer to receive approximately the same variable rate of interest that it is paying on the VRDBs or FRNs so that the short-term interest paid and received cancel each other out. The issuer is left only with the payment of the fixed rate on the swap effectively converting variable rate debt to synthetic fixed rate debt. In practice it is almost impossible or too expensive to design a swap that will receive exactly the same interest rate that is paid on the VRDBs or FRNs. This mismatch is called basis risk which means that the basis for the short-term variable rate payments on the bonds will be somewhat different than the basis for the short-term variable rate receipts for the swap. One of the goals when designing swaps is to minimize the basis risk but some will likely be present over the life of the swap.

Most of the recent swaps used to hedge tax-exempt variable rate debt by state housing agencies are based either on the weekly SIFMA tax-exempt index or use 70% of the SOFR taxable index plus a 10 basis point spread. Some swaps have also been purchased by HFAs that are so-called hybrid swaps using both the tax-exempt and the taxable indices over the life of the swap. These hybrid swaps start with the SIFMA index and then convert to a percentage (typically 67-70%) of the SOFR index plus a spread. Use of the SIFMA index to hedge tax-exempt bonds minimizes basis risk as the issuer's tax-exempt VRDBs are expected to trade very close to SIFMA. Use of a percentage of the SOFR index to hedge tax-exempt bonds adds basis risk as the issuers tax-exempt bonds may not trade in tandem with the SOFR index. However, increased liquidity in the SOFR swap market versus the SIFMA swap market leads to SOFR based swap rates that are 50 to 75 basis points lower than SIFMA swaps.

Historically a ratio of 70% of SOFR plus 10 basis points has correlated reasonably well with SIFMA. Over the past several years, an increasing number of issuers have chosen to hedge their variable tax-exempt bonds with lower cost percentage-of-a SOFR index swaps. However, uncertainties related to investor behavior given uncertainties about individual marginal and corporate tax rates make it impossible to know how well this previous correlation will persist into the future. To the extent that SIFMA and tax-exempt variable rate bonds lose some of their tax advantage and the ratio of SIFMA to SOFR increases to potentially 80% or 90%, swaps receiving only 70% of SOFR plus 10 basis points will be short of the payment that will be due to the bondholder. This would require issuers to not only make the fixed payment on the swap but also to make up the shortfall from the reduced receipts on the swap to pay the variable rate bond holders. This is how basis risk could be manifest in variable rate transactions. This specific type of basis risk where an issuer is using a taxable swap to hedge a tax-exempt bond is often called tax risk.

If an issuer is looking to hedge taxable variable rate bonds, then accessing the SOFR index swap market can minimize basis risk as no tax risk will be apparent.

Interest rate swaps are negotiated with a counterparty and thus have embedded counterparty risk. If the provider of the swap is unable to perform its duties, the bond issuer may no longer receive the variable rate interest payments necessary to offset the variable rate payments due on the bonds. While counterparty bankruptcies are rare, they have occurred, especially during the 2008 financial crisis. Issuers may be exposed to potential renewal risk to replace a terminated swap, which may be in addition to the administrative burden and unexpected additional economic costs of the existing swap.

One of the most important features of a swap is an issuer's right or option to cancel a swap at par with no additional expense on or after a specified date. Today almost all housing bond issuers that enter into swaps that have a maturity date that is longer than 10 years purchase par cancellation options that are no later than the optional call date on the associated fixed rate bonds, typically eight to ten years. Many of the headlines from the 2008 financial crisis that related to swaps were the result of issuers purchasing long-dated swaps without realizing that they had no means of canceling the agreement at par if interest rates fell (although all swap agreements could have been terminated at a market cost these costs would have been prohibitive given the prevailing low interest rates used to mark the swap termination to market). Many of those issuers were forced to pay high above-market interest rates with no feasible ability to replace the swap at lower rates. While shorter cancellation options increase the rate paid by issuers on the swap, most housing agencies are purchasing swaps with cancellation options in the five to ten-year range. Purchasing these options also allows an issuer to hedge against basis, tax and counterparty risk by providing an exit on or after the optional cancellation option date.

The choice of how much of the variable rate bonds to hedge is another important decision for variable rate bond issuers. Many state housing agencies choose to hedge 75-80% of their long-dated variable rate bonds, as most agency balance sheets hold large amounts of short-term investments (in the form of money market investments) which act as a natural hedge against rising variable bond rates. If short-term interest rates rise, it would be expected that the rates on both the short-term investments and short-term unhedged variable rate bonds will also rise, mitigating interest rate risk. Many state housing agencies are also purchasing short-term swaps that are designed to amortize according to an expected loan prepayment schedule and thus mimic a traditional fixed rate PAC (Planned Amortization Class) bond with a specified average life, often four to six years. These swaps are often referred to as PAC swaps and have a maturity that is typically 15 years or less. In these cases, state housing agencies are likely to swap 100% of the variable rate bonds and then retain the option to create unhedged variable rate bonds during the term of the swap amortization table by calling variable rate bonds in amounts less than the periodic amortization of the swap. Depending on the amortization characteristics of the swap, state housing agencies can decide if the purchase of an additional par cancellation option is appropriate.

Overall, swaps are attractive to state housing agencies as they allow issuers to lower the cost of the highest rate 30-year bonds or fixed rate PAC bonds by as much as 1% when factoring in the swap pay rate, basis risk, fees for VRDBs or spreads to FRNs and par cancellation options. Saving 1% on the long-term bonds can save as much as 20 to 40 basis points on an overall issue, allowing an issuer to offer lower mortgage rates or to generate increased earnings. Most of the state housing agencies with the lowest mortgage rates use a combination of fixed rate and variable rate bonds with swaps to finance their loan or Mortgage-Backed Securities purchases. Today HFAs are using both the SOFR and SIFMA markets to purchase swaps and are also retaining unhedged variable rate risk.

Table 2 below summarizes the risks that HFAs need to consider when evaluating the use of swaps.

Table 2. Summary of Risks Related to Interest Rate Swaps

Variable Bond Type	SIFMA Swap Tax Risk	SOFR Index Swap Tax Risk	Basis Risk	Counterparty Risk
Tax-Exempt	Minimal	High	Yes	Yes
Taxable	High	Minimal	Yes	Yes

D. Pro-Forma Alternative Debt Structures

cfX has designed and evaluated several alternative MassHousing Multifamily program debt structures that use a combination of fixed and variable rate debt to identify the costs and benefits of using variable rate debt for a portion of the financings contemplated for calendar year 2026. Historically, the 30-40 year term bonds are the portion of the structure that is financed using variable rate debt as those bonds have the highest rate and are the most difficult to sell in the marketplace.

The alternative debt structures have 25% of the year's bond issuance composed of variable rate debt, either tax-exempt or taxable debt. In calendar year 2026, it is expected that each bond issue would consist of between 0% and 25% of variable rate bonds, with the balance consisting of traditional fixed rate debt.

Each of the alternative debt structures assume all of the variable rate bonds are hedged with SOFR-based swaps with an amortization that matches the Multifamily loans financed, typically a 40-year term with a 40-year amortization. MassHousing may choose to leave a portion of their variable rate bonds unhedged to provide bond redemption flexibility and can rely on short-term variable rate money market assets in the Resolution to provide a hedge against rising short-term interest rates. MassHousing may also choose to purchase a par termination call option or choose a swap with a different amortization. Each of those decisions would be evaluated during the design of the structure to ensure that the swap was consistent with the MassHousing Policies and all rating agency requirements necessary to maintain the current rating.

Each of the tax-exempt and taxable variable rate debt alternatives outperforms their 100% fixed rate counterparts across a range of reasonable interest rate and prepayment scenarios. Savings from the use of variable rate bonds range from 10 to 50 basis points depending on the percentage of variable rate debt and the type and duration of the swap.

E. Performance of Alternative Variable Rate Structures in the Resolution

cfX has evaluated selected alternative debt structures in the context of the overall Resolution to ensure that all the rating agency cash flow stress tests can be satisfied to ensure that any new debt that is issued will maintain the current high debt ratings from Moody's ("Aa2") and S&P ("AA+").

The most recent set of Resolution cash flows provided to the rating agencies project $321 million of net assets on June 1, 2026, or a parity ratio of approximately 111%. The rating agencies generally expect that the Resolutions of large, sophisticated housing bond issuers that are using variable rate debt and swaps to finance their lending programs should have at least 110% of Resolution asset parity. The $321 million of net assets means that the Resolution has approximately $22 million of additional net assets in excess of this 110% threshold.

The most recent set of Resolution cash flows including the issuance of the 2025 Series C and 2025 Series D bonds provided to the rating agencies showed that the Resolution is composed of 94% fixed rate and 6% variable rate debt. In 2026, based on up to an additional $1 billion new issuance, the addition of reasonable amounts of variable rate debt consisting of $250 million in total or approximately 25% variable rate debt for each bond issue will increase the percentage of variable rate debt in the Resolution from 6% to up to approximately 11%. For example, Moody's criteria for Aa1 rated debt generally specifies a preferred range of no more than 10% to 25% of variable rate debt outstanding. Contemplated additional variable rate debt amounts for calendar year 2026 will result in ratios that are well within this range. Furthermore, MassHousing will retain sufficient capacity to add variable rate debt as part of combined fixed and variable rate debt structures in the coming years.

Many state housing agencies choose to hedge a majority but not all of their variable rate debt with swaps, leaving the balance of variable rate debt unhedged. Carrying unhedged variable rate debt has allowed housing agencies to lower their cost of funds, increasing income and providing lower mortgage rates to their borrowers.

As of June 1, 2026 there will be $70 million of outstanding variable rate debt unhedged in the Resolution, which represents a relatively small 2.3% of all bonds outstanding. If MassHousing decides to hedge all of the up-to $250 million of variable debt contemplated for calendar year 2026 transactions, then the amount of unhedged variable rate would decrease from 2.3% to 1.7% of all Resolution debt outstanding.

On average the Resolution carries $100 million to $150 million of funds in money market or other short term instruments, providing a significant natural hedge against rising short term interest rates. The rating agencies are comfortable with sophisticated, large parity issuers of housing bonds carrying unhedged variable rate debt based on these natural hedging resources with the expectation that short term interest rates on investments will tend to rise as the short term interest rates on unhedged variable rate bonds rise.

If MassHousing decides to hedge all of the up-to $250 million of variable debt contemplated for calendar year 2026 transactions, then the amount of hedged variable rate would increase from $123 million to $373 million, increasing from 4.1% to 9.3% of all Resolution debt outstanding.

Each of the alternatives that we evaluated in the rating agency Resolution cash flow stress tests has passed all of the rating agency requirements, demonstrating sufficient net income and asset parity coverage to warrant an affirmation of the current Aa2 and AA+ ratings from Moody's and S&P, respectively. Given the substantial strength of the Resolution, MassHousing, if it so desires, will be able to repeat the contemplated program of fixed and variable rate Multifamily issues for multiple years with no adverse impact on the ratings.

F. Summary

cfX analyzed the sale of up to $1 billion of additional debt for calendar year 2026 resulting in the addition of up-to $250 million of new variable rate debt to fund the Multifamily program. Each of the proposed debt structures, swaps, counterparties and other components of future transactions in the Resolution will conform with all MassHousing requirements including delegation votes and the MassHousing Policies.

The combination of using fixed rate and variable rate debt to finance the Multifamily program, in combination with interest rate swaps to reduce interest rate risk, will enable MassHousing to lower the future cost of debt. Variable rate debt creates 10 to 50 basis points of additional spread versus fixed rate alternatives, under the expected interest rate scenarios. This will allow MassHousing to provide lower mortgage rates to its borrowers, maintain positive net income and grow the MassHousing balance sheet.

Cash flow stress tests using the adverse financial conditions required by the rating agencies were all successful. As of June 1, 2026, without additional variable rate debt only 6% of the Resolution debt will be variable, and the maximum additions contemplated here would keep the variable rate debt well within the levels preferred by the rating agencies. The high ratings of "Aa2" and "AA+" assigned by Moody's and S&P would be expected to be affirmed under any of the recommended financing scenarios.

G. cfX Incorporated

cfX is a Municipal Advisor to 20 different state housing agencies nationwide including some of the largest and the most complex housing finance issuers in the country. cfX specializes in the structuring of housing bonds to finance affordable housing and the management of complex Single Family and Multifamily parity bond portfolios. cfX has been engaged by MassHousing since 2004 and is a registered municipal advisor with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board.

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C F X I N C O R P O R A T E D

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Memorandum

Date: February 10, 2026

To: **MassHousing**
Rachel Madden, Chief Financial & Administrative Officer
Paul Scola, Senior Director of Capital Markets

From: **cfX Incorporated**
Benjamin Madorsky, President
Jeremy Obaditch, Managing Director
Chuck Karimbakas, Managing Director
Alex Fields, Managing Director
Teresa Chan, Director
Seth Webb, Associate

Re: **Single Family Program: Review of Variable Rate Debt and Interest Rate Swap Opportunities for Submission to State Finance and Governance Board**

A. Introduction

cfX has been engaged by the Massachusetts Housing Finance Agency ("MassHousing") to identify and examine the benefits and risks associated with incorporating variable rate debt in furtherance of its Single Family program. To date, MassHousing has utilized fixed rate debt to finance the majority of Single Family loans held in the Single Family Housing Revenue Bond Resolution (the "Resolution"). Today approximately 88% of the outstanding debt in the Resolution is fixed rate. The addition of new variable rate debt, in reasonable amounts, and in combination with interest rate swaps to reduce interest rate risk, will enable MassHousing to lower the future cost of debt. This will allow MassHousing to provide lower mortgage rates to its borrowers, help fund the down payment assistance program, maintain positive net income and balance sheet growth, and preserve the high ratings of "Aa1" and "AA+" assigned by Moody's Investors Service Inc. ("Moody's") and S&P Global Ratings ("S&P"), respectively.

This memorandum reviews the various types of variable rate debt and interest rate swaps available to MassHousing and examines the potential benefits and risks associated with these instruments in the context of the Resolution. Each of the proposed debt structures, swaps, counterparties and other components of future transactions in the Resolution will conform with all MassHousing requirements including delegation votes, its Swap Policy, the Debt Management Policy and the Investment Policy (collectively, "MassHousing Policies").

B. Types of Variable Rate Debt Instruments

Today's municipal bond market provides MassHousing with the opportunity to substitute a portion of the fixed rate debt that will be issued in the future with various types of variable rate debt instruments. Some of the more well established variable rate debt instruments used in the municipal bond market today utilized by state housing agencies include Variable Rate Demand Bonds ("VRDBs") and Floating Rate Notes ("FRNs"). All variable rate debt instruments provide bond investors with an interest accrual rate that is reset on a specified frequency that can be daily, weekly, monthly or longer. Payment of the actual interest due on variable rate debt is traditionally semi-annual or monthly for housing issuers. Both VRDBs and FRNs are well established debt instruments in the municipal bond market and have been used by state Housing Finance Agencies ("HFAs") around the country to help finance the purchase of Single Family and Multifamily loans.

VRDBs differ from FRNs in several ways. VRDBs require a remarketing agent, typically an investment bank, to reset the interest accrual rate based on market feedback, at regular intervals. VRDBs also include a "put" or optional tender feature that allows investors to return their bonds to the issuer at a price of par if they no longer wish to own the bonds, at the time of each interest rate reset. At this point the remarketing agent is obligated to find new investors to purchase the bonds. Tender dates are typically the same as interest rate reset dates. To support the remarketing agent, all VRDBs must also include a Standby Bond Purchase Agreement, or other equivalent so-called "liquidity facility". This is provided by a financial institution who will purchase the bonds from the issuer if the remarketing agent is unable to find enough investors to purchase the tendered bonds at the time of the interest rate reset. The provider of the liquidity facility, or the counterparty, is an important aspect of VRDBs as investors will typically require an interest rate that is based in part on the name and credit quality of that counterparty. MassHousing VRDBs would be expected to be secured by liquidity facilities offered only by highly rated providers in compliance with MassHousing Policies.

VRDB remarketing agent agreements are specified for the life of the bonds, with a specified fee in the five to eight basis points per year range. Counterparty risk that the remarketing agent will be unable to fulfill its duties exists for all issuers of VRDBs. Replacement of a poorly performing or disabled remarketing agent occurs occasionally.

VRDB liquidity facility agreements are specified for terms ranging from one to seven years in today's market. Longer terms require higher annual fees, and most agreements priced in today's market are made in the three to five year range at rates of generally between 20 and 40 basis points per year. An issuer will be required to renegotiate the terms of the liquidity facility at the end of the term with the existing counterparty or solicit bids from other providers. During the debt crisis, many low rated liquidity facilities were replaced before contract expiration by more highly rated counterparties. Issuers of VRDBs have both counterparty risk associated with the provider of the facility and renewal risk that the rate for the next specified term will be higher than the previous term.

FRNs, Floating Rate Notes, are variable rate debt instruments where the interest rate is based on a specified benchmark index, such as the tax-exempt SIFMA index (Securities Industry and Financial Markets Association Municipal Swap Index) or the taxable SOFR index (Secured Overnight Financing Rate), plus a spread for a specified initial term, typically three to seven years. At the end of the initial term, a mandatory tender occurs that requires all FRN investors to return their bonds to the issuer for cancellation. At the end of the initial term, the issuer may re-issue the bonds as FRNs using a similar or different index, spread or term and a new mandatory tender date. An issuer may also decide to retire the debt or convert the debt to VRDBs or fixed rate debt.

If the issuer is unable to execute the mandatory tender and pay the principal and interest due on the bonds, the variable interest rate escalates to a pre-set, high fixed rate, such as 9%, that incentivizes the issuer to find a solution to redeem the bonds quickly. This so called "Soft Put" feature of FRNs, which are typically designed to avoid an event of default under the Resolution even if the tender fails, is an attractive feature for issuers who have adequate liquid investments or cash to repay FRNs if market access is unavailable.

Tax-Exempt FRNs use 100% of the weekly SIFMA index or typically 67-70% of a taxable index, and taxable FRNs use 100% of a taxable index. Interest is reset on a pre-specified frequency that can be weekly, monthly or longer. A fixed spread, in basis points, is determined by the underwriter at the time of the initial sale that reflects the credit quality of the issuer and to compensate the investor for the lack of any short term "put" feature or liquidity facility that is available in a VRDB. The spread is added to the index rate to arrive at the total variable interest rate for any period. FRNs do not require a remarketing agent or a liquidity agreement, and spreads have sometimes been lower than the combined cost of the fees for remarketing and liquidity in the VRDB market, sometimes making FRNs an attractive substitute for VRDBs. However, recently FRN spreads have been significantly higher than the combined cost of VRDBs and most issuers have chosen VRDBs over FRNs. While issuers do not have counterparty risk with FRNs, they do have renewal risk – that at the time of the mandatory tender the market-based spread to the benchmark index, or the overall interest rates in the market, will be higher than the prior term. FRNs also require a full remarketing and re-issuance of the bonds as opposed to the potential extension of an existing SBPA agreement supporting a VRDO. FRN remarketing costs can be as much as 0.5% of the par amount of the bonds compared to SBPA extension legal costs that might be only one-tenth of FRN costs. Table 1 below summarizes several differences between VRDBs and FRNs.

Table 1. Summary of Variable Rate Debt Instruments

Type	Public or Private Placement	Remarketing Agent	Liquidity Facility	Rate Reset	Counterparty Risk	Renewal Risk
VRDB	Public	Yes	Yes	Remarketing	Yes	Yes
FRN	Both	No	No	Index	No	Yes

C. Types of Interest Rate Swaps

In conjunction with the sale of any form of variable rate debt, many issuers choose to enter into an interest rate swap with a selected counterparty. This allows an issuer to hedge all or a portion of their exposure to future rising short-term interest rates. A standard interest rate swap for an issuer of variable rate bonds is designed such that an issuer pays a fixed rate of interest in return for receiving a variable rate of interest. In simple terms, this allows an issuer to receive approximately the same variable rate of interest that it is paying on the VRDBs or FRNs so that the short term interest paid and received cancel each other out. The issuer is left only with the payment of the fixed rate on the swap effectively converting variable rate debt to synthetic fixed rate debt. In practice it is almost impossible or too expensive to design a swap that will receive exactly the same interest rate that is paid on the VRDBs or FRNs. This mismatch is called basis risk which means that the basis for the short-term variable rate payments on the bonds will be somewhat different than the basis for the short-term variable rate receipts for the swap. One of the goals when designing swaps is to minimize the basis risk but some will likely be present over the life of the swap.

Most of the recent swaps used to hedge tax-exempt variable rate debt by state housing agencies are based either on the weekly SIFMA tax-exempt index or use 70% of the SOFR taxable index plus a 10 basis point spread. Some swaps have also been purchased by HFAs that are so-called hybrid swaps using both the tax-exempt and the taxable indices over the life of the swap. These hybrid swaps start with the SIFMA index and then convert to a percentage (typically 67-70%) of the SOFR index plus a spread. Use of the SIFMA index to hedge tax-exempt bonds minimizes basis risk as the issuer's tax-exempt VRDBs are expected to trade very close to SIFMA. Use of a percentage of the SOFR index to hedge tax-exempt bonds adds basis risk as the issuers tax-exempt bonds may not trade in tandem with the SOFR index. However, increased liquidity in the SOFR swap market versus the SIFMA swap market leads to SOFR based swap rates that are 50 to 75 basis points lower than SIFMA swaps.

Historically a ratio of 70% of SOFR plus 10 basis points has correlated reasonably well with SIFMA. Over the past several years, an increasing number of issuers have chosen to hedge their variable tax-exempt bonds with lower cost percentage-of-a SOFR index swaps. However, uncertainties related to investor behavior given uncertainties about individual marginal and corporate tax rates make it impossible to know how well this previous correlation will persist into the future. To the extent that SIFMA and tax-exempt variable rate bonds lose some of their tax advantage and the ratio of SIFMA to SOFR increases to potentially 80% or 90%, swaps receiving only 70% of SOFR plus 10 basis points will be short of the payment that will be due to the bondholder. This would require issuers to not only make the fixed payment on the swap but also to make up the shortfall from the reduced receipts on the swap to pay the variable rate bond holders. This is how basis risk could be manifest in variable rate transactions. This specific type of basis risk where an issuer is using a taxable swap to hedge a tax-exempt bond is often called tax risk.

If an issuer is looking to hedge taxable variable rate bonds, then accessing the SOFR index swap market can minimize basis risk as no tax risk will be apparent.

Interest rate swaps are negotiated with a counterparty and thus have embedded counterparty risk. If the provider of the swap is unable to perform its duties, the bond issuer may no longer receive the variable rate interest payments necessary to offset the variable rate payments due on the bonds. While counterparty bankruptcies are rare, they have occurred, especially during the 2008 financial crisis. Issuers may be exposed to potential renewal risk to replace a terminated swap, which may be in addition to the administrative burden and unexpected additional economic costs of the existing swap.

One of the most important features of a swap is an issuer's right or option to cancel a swap at par with no additional expense on or after a specified date. Today almost all housing bond issuers that enter into swaps that have a maturity date that is longer than 10 years purchase par cancellation options that are no later than the optional call date on the associated fixed rate bonds, typically eight to ten years. Many of the headlines from the 2008 financial crisis that related to swaps were the result of issuers purchasing long-dated swaps without realizing that they had no means of canceling the agreement at par if interest rates fell (although all swap agreements could have been terminated at a market cost these costs would have been prohibitive given the prevailing low interest rates used to mark the swap termination to market). Many of those issuers were forced to pay high above-market interest rates with no feasible ability to replace the swap at lower rates. While shorter cancellation options increase the rate paid by issuers on the swap, most housing agencies are purchasing swaps with cancellation options in the five to ten-year range. Purchasing these options also allows an issuer to hedge against basis, tax and counterparty risk by providing an exit on or after the optional cancellation option date.

The choice of how much of the variable rate bonds to hedge is another important decision for variable rate bond issuers. Many state housing agencies choose to hedge 75-80% of their long-dated variable rate bonds, as most agency balance sheets hold large amounts of short-term investments (in the form of money market investments) which act as a natural hedge against rising variable bond rates. If short term interest rates rise, it would be expected that the rates on both the short-term investments and short-term unhedged variable rate bonds will also rise, mitigating interest rate risk. Many state housing agencies are also purchasing short-term swaps that are designed to amortize according to an expected loan prepayment schedule and thus mimic a traditional fixed rate PAC (Planned Amortization Class) bond with a specified average life, often four to six years. These swaps are often referred to as PAC swaps and have a maturity that is typically fifteen years or less. In these cases, state housing agencies are likely to swap 100% of the variable rate bonds and then retain the option to create unhedged variable rate bonds during the term of the swap amortization table by calling variable rate bonds in amounts less than the periodic amortization of the swap. Depending on the amortization characteristics of the swap, state housing agencies can decide if the purchase of an additional par cancellation option is appropriate.

Overall, swaps are attractive to state housing agencies as they allow issuers to lower the cost of the highest rate 30-year bonds or fixed rate PAC bonds by as much as 1% when factoring in the swap pay rate, basis risk, fees for VRDBs or spreads to FRNs and par cancellation options. Saving 1% on the long-term bonds can save as much as 20 to 40 basis points on an overall issue, allowing an issuer to offer lower mortgage rates or to generate increased earnings. Most of the state housing agencies with the lowest mortgage rates use a combination of fixed rate and variable rate bonds with swaps to finance their loan or Mortgage-Backed Securities purchases. Today HFAs are using both the SOFR and SIFMA markets to purchase swaps and are also retaining unhedged variable rate risk.

Table 2 below summarizes the risks that HFAs need to consider when evaluating the use of swaps.

Table 2. Summary of Risks Related to Interest Rate Swaps

Variable Bond Type	SIFMA Swap Tax Risk	SOFR Index Swap Tax Risk	Basis Risk	Counterparty Risk
Tax-Exempt	Minimal	High	Yes	Yes
Taxable	High	Minimal	Yes	Yes

D. Pro-Forma Alternative Debt Structures

cfX has designed and evaluated several alternative MassHousing Single Family program debt structures that use a combination of fixed and variable rate debt to identify the costs and benefits of using variable rate debt for a portion of the financings contemplated for calendar year 2026. To use conservative assumptions, these alternatives assume that 65% of the bonds issued in the balance of calendar year 2026 will be issued as taxable bonds.

The alternative debt structures have 25% of the year's bond issuance composed of variable rate debt, either tax-exempt or taxable debt. In calendar year 2026, it is expected that each bond issue would consist of approximately 25% of variable rate bonds with the balance consisting of traditional fixed rate debt.

Each of the alternative debt structures assume all of the variable rate bonds are hedged with SOFR-based swaps with an amortization that matches a six-year average life PAC bond with a maturity of approximately 15 years with a par cancellation option that matches the expected optional call date on the fixed rate bonds. MassHousing may choose to leave a portion of their variable rate bonds unhedged to provide bond redemption flexibility and can rely on short-term variable rate money market assets in the Resolution to provide a hedge against rising short-term interest rates. MassHousing may also choose to purchase a par termination call option or choose a swap with a different amortization. Each of those decisions would be evaluated during the design of the structure to ensure that the swap was consistent with the MassHousing Policies and all rating agency requirements necessary to maintain the current rating.

Each of the tax-exempt and taxable variable rate debt alternatives outperforms their 100% fixed rate counterparts across a range of reasonable interest rate and prepayment scenarios. Savings from the use of variable rate bonds range from 10 to 50 basis points depending on the percentage of variable rate debt and the type and duration of the swap.

E. Performance of Alternative Variable Rate Structures in the Resolution

cfX has evaluated selected alternative debt structures in the context of the overall Resolution to ensure that all the rating agency cash flow stress tests can be satisfied to ensure that any new debt that is issued will maintain the current high debt ratings from Moody's ("Aa1") and S&P ("AA+").

The most recent set of Resolution cash flows provided to the rating agencies project $258 million of net assets on June 1, 2026, or a parity ratio of approximately 112%. The rating agencies generally expect that the Resolutions of large, sophisticated housing bond issuers that are using variable rate debt and swaps to finance their lending programs should have at least 110% of Resolution asset parity. The $258 million of net assets means that the Resolution has approximately $40 million of additional net assets in excess of this 110% threshold.

The most recent set of Resolution cash flows including the issuance of the Series 249, 250 and 251 bonds provided to the rating agencies showed that the Resolution is composed of 88% fixed rate and 12% variable rate debt. In the balance of calendar year 2026 based on up to an additional $800 million new issuance, the addition of reasonable amounts of variable rate debt consisting of approximately 25% variable rate debt for each bond issue will increase the percentage of variable rate debt in the Resolution from 12% to up to approximately 16%. For example, Moody's criteria for Aa1 rated debt generally specifies a preferred range of no more than 10% to 25% of variable rate debt outstanding. Contemplated additional variable rate debt amounts for calendar year 2026 will result in ratios that are well within this range. Furthermore, MassHousing will retain sufficient capacity to add variable rate debt as part of combined fixed and variable rate debt structures in the coming years.

Many state housing agencies choose to hedge a majority but not all of their variable rate debt with swaps, leaving the balance of variable rate debt unhedged. Carrying unhedged variable rate debt has allowed housing agencies to lower their cost of funds, increasing income and providing lower mortgage rates to their borrowers.

After the issuance of the Series 249, 250 and 251 bonds, $36 million of outstanding variable rate debt is unhedged in the Resolution, representing a relatively small 1.7% of all bonds outstanding. If MassHousing decides to hedge up-to all of the $200 million of variable debt contemplated for the remainder of calendar year 2026 transactions, then the amount of unhedged variable rate would decrease from 1.7% to about 1.2% of all Resolution debt outstanding.

On average the Resolution carries $100 million to $150 million of funds in money market or other short term instruments, providing a significant natural hedge against rising short term interest rates. The rating agencies are comfortable with sophisticated, large parity issuers of housing bonds carrying unhedged variable rate debt based on these natural hedging resources with the expectation that short term interest rates on investments will tend to rise as the short term interest rates on unhedged variable rate bonds rise.

If MassHousing decides to hedge all of the up-to $200 million of variable debt contemplated for the remainder of calendar year 2026 transactions, then the amount of hedged variable rate debt would increase from $237 million to $437 million, increasing from 11% to approximately 15% of all Resolution debt outstanding.

Each of the alternatives that we evaluated in the rating agency Resolution cash flow stress tests has passed all of the rating agency requirements, demonstrating sufficient net income and asset parity coverage to warrant an affirmation of the current Aa1 and AA+ ratings from Moody's and S&P, respectively. Given the substantial strength of the Resolution, MassHousing, if it so desires, will be able to repeat the contemplated program of fixed and variable rate Single Family issues for multiple years with no adverse impact on the ratings.

F. Summary

cfX analyzed the sale of up to $800 million of additional debt for 2026 resulting in the addition of up to between $200 million of new variable rate debt to fund the Single Family program. Each of the proposed debt structures, swaps, counterparties and other components of future transactions in the Resolution will conform with all MassHousing requirements including delegation votes and the MassHousing Policies.

The combination of using fixed rate and variable rate debt to finance the Single Family program, in combination with interest rate swaps to reduce interest rate risk, will enable MassHousing to lower the future cost of debt. Variable rate debt creates 10 to 50 basis points of additional spread versus fixed rate alternatives, under the expected interest rate scenarios. This will allow MassHousing to provide lower mortgage rates to its borrowers, maintain positive net income and grow the MassHousing balance sheet.

Cash flow stress tests using the adverse financial conditions required by the rating agencies were all successful. As of June 1, 2026, without additional variable rate debt only 12% of the Resolution debt will be variable and the maximum additions contemplated here would keep the variable rate debt well within the levels preferred by the rating agencies. The high ratings of "Aa1" and "AA+" assigned by Moody's and S&P would be expected to be affirmed under any of the recommended financing scenarios.

G. cfX Incorporated

cfX is a Municipal Advisor to 20 different state housing agencies nationwide including some of the largest and the most complex housing finance issuers in the country. cfX specializes in the structuring of housing bonds to finance affordable housing and the management of complex Single Family and Multifamily parity bond portfolios. cfX has been engaged by MassHousing since 2004 and is a registered municipal advisor with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board.

TO: CCRI Board of Directors

FROM: Nichole Mikshenas

DATE: February 10, 2026

RE: Votes committing CCRI funds to Gilly's House, Inc. and Troubled Waters Inc. d/b/a The Bridge Club of Lowell

MassHousing staff recommend two applications for consideration by the CCRI Board of Directors:

Gilly's House Inc.
Requests funding for acquisition of a property to create 10 units of affordable sober housing for men.
Recommendation: $150,000 **Commitment expires September 30, 2027**

Troubled Waters Inc. d/b/a The Bridge Club of Lowell
Requests funding for acquisition of a property to create 29 units of affordable sober housing for veterans.
Recommendation: $150,000 **Commitment expires September 30, 2027**

Therefore, staff propose the following votes to effectuate these funding decisions:

VOTED: That the Center for Community Recovery Innovations, Inc. ("CCRI"), an affiliate of the Massachusetts Housing Finance Agency (the "Agency"), approve a grant in the amount of $150,000.00 to Gilly's House Inc., Wrentham, for the purposes described in the application, subject to the contingencies and requirements set forth in this recommendation.

FURTHER VOTED: That CCRI approve a grant in the amount of $150,000.00 to Troubled Waters Inc. d/b/a The Bridge Club of Lowell, Lowell, for the purposes described in the application, subject to the contingencies and requirements set forth in this recommendation.

THE CENTER FOR COMMUNITY RECOVERY INNOVATIONS, INC.

Recommendations and Vote: FY26

Presented to the CCRI Board of Directors
February 10, 2026

2 Applications for a Vote

• Gilly's House, Wrentham	$150,000
• The Bridge Club of Lowell, Lowell	$150,000
Total:	**$300,000**

CCRI

Gilly’s House Inc.

Request: $150,000

City/Town: Bellingham

Units Created: 10

Population: Men

<u>Past Awards</u>:

Gilly’s House: 3 awards totaling $128,562. (1 Covid 19 Relief grant)

CCRI

The Bridge Club of Lowell

Request: $150,000

City/Town: Lowell

Units Created: 29

Population: Veterans

Past Awards: None

CCRI

All FY26 Applications

December Votes	
• Lowell House, Inc., Lowell	$100,000
• Steppingstone, Inc., Fall River	$76,155
• Victory Programs, Inc., Boston	$200,000
• GAAHMA, Inc., Gardner	$100,000
• Casa Esperanza, Inc., Boston	$100,000
• Link House Inc, Amesbury	$62,933
Voted Today	
• Gilly's House, Wrentham	$150,000
• The Bridge Club of Lowell, Lowell	$150,000
Total:	**$939,088**

CCRI

Loan Commitment Proposal | February 10, 2026

Woods at Wareham

1. General Project Information	
Project Name	Woods at Wareham
Project ID	70-120
Associated Projects	N/A
Address(es)	48 Swifts Beach Road, Wareham, MA 02571
Sponsor	HK Management LLC
Transaction Type	Preservation
Funding Type	Current (Permanent Only)
Execution Type	Taxable MAP JV 223(f)
Credit Enhancement	HUD-Insured with 1% credit risk
Approval Type	Board
Current MH Risk Rating	Financial: A Physical Condition: A Compliance: A
Post-Closing/Post-Rehab MH Risk Rating	Financial: A Physical Condition: A Compliance: A
Total Rental Units	100
Affordability Mix	97 Affordable 3 Unrestricted

2. Recommended Actions

- Approval to accept assignment of a HUD-issued Firm Commitment for FHA insurance
- Commitment of a first mortgage loan (the "New Loan")
- Approval to finance the New Loan through the issuance of a Ginnie Mae MBS

Woods at Wareham (the "Development") consists of 100 units in sixteen buildings in Wareham. The proposed loan will provide funds to repay existing MassHousing debt, complete repairs, capitalize replacement reserves, pay transaction costs and provide equity to the owner.

3. MassHousing Financing	
First Loan	
Type	Permanent
Loan Amount	$23,865,000
Interest Rate	5.50% projected
Loan Term/Amortization	35 y / 35 y
Year 1 DSCR	1.11 projected (1.11 minimum)
LTV	71% projected (80% maximum)

4. Development Plan

Description of Site. The Development is located on a 9.34 acre site in Wareham (the "Site"). The Site is surrounded by woodlands and is located just 0.25 miles from Route 6, a major local travel route with a variety of retail and commercial uses. It is also located approximately 3 miles from the I-495/I-195 interchange, which connects the area to the Greater Boston area to the north and Providence to the west. There are a number of grocery stores, gas stations and fast food restaurants in the local area, as well as several schools and a hospital 1.5 miles away.

Description of Existing or Proposed Building. The Development consists of 16 two-story buildings originally developed in 1972. Two of the buildings contain 16 one-bedroom units. The remaining 14 buildings contain two- and three-bedroom units. The Development includes a one-story community building with a management office, which was newly constructed in 2024. The Development also contains surface parking for 138 vehicles, a playground, a basketball court and a common area laundry room.

Description of Affordability Mix. The Development benefits from two project-based HAP contracts covering 97 of the 100 units. The remaining three units are unrestricted and leased at market rents.

1. The Project-Based Section 8 HAP Contract (the "Section 8 Contract") covers 78 units and remains in effect through July 2033. In connection with the proposed refinancing, the borrower will terminate the existing Section 8 Contract and execute a new contract for 20 years pursuant to Option One-B, Mark-Up-To-Market of the Section 8 Renewal Policy Guidebook. The new contract will include a preservation tail equal to the remaining number of years on the current Section 8 Contract (seven), thus extending the affordability term until 2053.
2. The Project-Based Voucher HAP Contract (the "PBV Contract") covers an additional 19 units. The current PBV Contract runs through April 2029. Ownership has executed two extensions with the contract administrator, providing for continued PBV assistance through April 2054.

Site Control. The borrower holds a fee simple interest in the Development.

Transaction Overview. Rockport Mortgage Corporation ("Rockport") is requesting FHA mortgage insurance in the amount of $23,865,000. Loan proceeds will be used to repay the outstanding MassHousing loan of $8,178,175, fund $810,332 of repairs, fully fund the replacement reserves, pay transaction costs, and fund an equity takeout of $13,192,223.

MassHousing Debt. The Development is currently in the MassHousing portfolio with the following debt:

Loan	Maturity Date	Interest Rate	Estimated Unpaid Balance at Closing
70-120-03	7/1/2054	5.5%	$6,810,523
70-120-06	7/1/2054	5.5%	$1,336,271

5. Borrower Team

Mortgagor Entity: Riverview Village

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

Developer / Sponsor: HK Management LLC ("HallKeen")

Founded in 1991, HallKeen has 35 years of experience in multi-family, assisted living, and mixed-use properties. HallKeen specializes in the acquisition, development, and/or management of affordable, conventional and mixed-income housing. HallKeen's acquisition and development focus has covered a broad spectrum of affordable housing in New England, ranging from the fee purchase of Class B market-rate properties to inner city Section 8 properties, and to developing mixed-income new construction housing. The Agency's most recent experience with HallKeen was on Ticcoma Green in 2025.

General Partner / Managing Member: HK Guilford GP, Inc.

MAP Lender Partner: Rockport Mortgage Corporation

MassHousing and Rockport Mortgage Corporation (the "MAP Lender Partner") have entered into a Consultant Agreement (the "Agreement") defining the relationship between MassHousing and the MAP Lender Partner regarding the origination, underwriting, and closing of FHA-insured loans. HUD consented to the Agreement and business relationship under a waiver granted to MassHousing on June 13, 2014 (the "HUD Waiver"). In agreeing to waive certain requirements of the Multifamily Accelerated Processing ("MAP") Guide, including permitting MassHousing to refinance its balance sheet debt under the terms of the Agreement, HUD imposed certain restrictions prohibiting MassHousing's involvement in the underwriting of the FHA-insured loan transactions to be made by MassHousing under such Agreement. Subsequent to MassHousing's receipt of the HUD Waiver, the Members authorized the MAP/Ginne Mae Multifamily Joint Venture Lending Initiative (the "Initiative") on November 12, 2014.

Under the terms and conditions of the HUD Waiver, and in accordance with the Agency-approved Initiative guidelines and closing conditions, the MAP Lender Partner worked directly with the borrower to underwrite the new mortgage loan and apply to the local HUD office for

FHA mortgage insurance. The MAP Lender Partner is responsible for ensuring that all applicable FHA and MAP requirements have been satisfied, and HUD will determine that the New Loan is an acceptable risk. MassHousing will rely solely on HUD's determination that the new loan is an acceptable risk, and MassHousing has not and will not conduct any internal assessment to confirm this determination. MassHousing will enter into an agreement with the MAP Lender Partner to accept the assignment of the HUD Firm Commitment at loan closing, and MassHousing will, at closing, make the New Loan to the Borrower. MassHousing will issue a Ginnie Mae Mortgage Backed Security ("MBS") to fund the new loan.

Management Company: HK Management LLC ("HallKeen").

HallKeen is a leading property management company with 33 years of experience in multi-family, assisted living, and mixed-use properties. HallKeen's current portfolio includes more than 8,600 apartments spanning throughout New England, New York, Virginia, North Carolina, Florida and Maryland and includes 16 assisted living communities. While retaining prime focus on affordable housing, HallKeen manages a diverse portfolio of residential housing, mixed-use properties and assisted living communities. HallKeen is staffed by a group of dedicated, experienced, and highly motivated individuals. There are over 50 employees working at the central office in Norwood, and more than 1,000 employees working at the various sites.

6. Summary of MassHousing-Sponsor Relationship			
	Recorded	*Committed*	*Total*
Number of Projects with MassHousing Debt	8	2	10
Total Units with MassHousing Debt	925	64	989
Outstanding MassHousing Principal Debt	$109,253,334	$14,640,000	$123,893,334
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	Yes, HK Management LLC manages properties in the Sponsor's portfolio and offers management services outside the portfolio		

MassHousing Staff	
Origination	Tai Pope, Originator Matt Deych, Analyst
Underwriting	John Collins, Underwriter
Asset Management	Mildred Mukasa, Portfolio Manager Megan Delsignor, Asset Manager

7. Unit Mix

Unit Size	Total Units	Project-Based Section 8*		PBV*		Unrestricted		Market Comp Rent
		Count	*Rent*	*Count*	*Rent*	*Count*	*Rent*	*Rent*
1 BR	16	15	$2,400	1	$2,247	-	-	$2,290
2 BR	72	55	$3,100	15	$2,827	2	$2,635	$2,650
3 BR	12	8	$3,550	3	$3,418	1	$2,107	$3,225
Total	**100**	**78**		**19**		**3**		

*PBV rents are underwritten at the lower of the contract rents or the appraiser's market rents.

8. Operating Overview

See Section 11. First Year Income and Expenses

9. Project Costs

N/A

10. Sources and Uses

The Sources and Uses set forth in this memorandum are estimates based on the MAP Lender Partner application to HUD. HUD reserves the right to change these amounts prior to issuing its Firm Commitment, and the final Sources and Uses (including the final loan amount) will be determined by HUD and the MAP Lender Partner, subject to the limitation that the final amount of the New Loan shall not be more than $32,220,585 nor less than $15,513,615.

Sources		
New First Mortgage		$23,867,100
Existing Reserves		$325,391
	Total:	$24,192,491

Uses		
Existing Indebtedness – Including Prepayment Fee		$8,178,175
Repairs		$810,332
General Development		$876,403
Initial Deposit to Replacement Reserve		$1,055,000
Assurance of Completion Escrow		$80,358
Equity Takeout		$13,192,223
	Total:	$24,192,491

11. First Year Income and Expenses

Income		
Rental Income – Project-Based Rental Subsidy		$3,090,864
Rental Income – Unrestricted		$88,524
Gross Potential Residential Income		$3,179,388
Vacancy – Project-Based Rental Subsidy	3.0%	($92,726)
Vacancy – Unrestricted	3.0%	($2,656)
Gross Residential Income		$3,084,006
Other Income – Laundry		$12,998
Effective Gross Income		$3,097,004

Expenses	
Residential Operating Expenses	$1,321,766
Net Operating Income	$1,775,238
Debt Service	($1,597,710)
Cash Flow	$177,528

Debt Service Coverage	1.11
Operating Expenses Per Unit	$13,218

12. Analysis of Lender Narrative

Valuation: The appraiser's concluded market value estimate of $33,600,000 ($336,000 per unit) represents a reconciliation between the income approach value of $33,700,000 and the sales comparison value of $33,500,000. The cost approach was determined not applicable due to the age and type of this property.

The income approach to value is based on the appraiser's concluded capitalization rate of 5.50% and NOI of $1,855,412. The requested loan amount of $23,867,100 results in a 71% LTV against the concluded market value of $33,600,000.

Repairs: Repairs total $810,332 ($8,103 per unit) and include ADA parking space modifications, creation of an accessible route to the playground, mail kiosk, dumpsters, basketball court and community building, installation of audio/visual alarms in two units, lowering of upper cabinetry in common area kitchen and conversion of five units to become UFAS compliant. Other repairs consist of asphalt parking lot seal coating and crack sealing, restriping the parking lot, replacement of chain-link fencing, resurfacing the basketball court, replacing the basketball hoops, replacement of corroded copper piping for the hot water storage tank in buildings 3 and 6, and sewer jetting.

Deferred Critical Repairs: The submission package includes a waiver request to defer some accessibility-related critical repairs and address UFAS and ADA deficiencies within five units and improving accessible pathways throughout the property. The exterior accessible path improvements must be performed during appropriate weather conditions and cannot be reasonably completed during the winter months. Deferring this repair also allows Ownership to better plan the required tenant relocations, minimizing resident disruption and limiting the duration of displacement. All work will be completed within four months of closing and will be subject to ongoing oversight to ensure timely completion. The Assurance of Completion escrow and Equity Holdback, discussed next, provide surety for this request.

Capitalized Reserves:

- Assurance of Completion Escrow in the amount of $80,358 is equal to 10% of the total repairs. MassHousing will monitor the non-critical repair work and administer the escrow on behalf of HUD. The Assurance of Completion Escrow will be released to the Borrower upon completion of the escrowed repair work. Completion of work is expected within 12 months of closing.

- Initial Deposit to Replacement Reserves in the amount of $1,055,000, the amount needed to fully fund the replacement reserve in accordance with MAP Guide requirements.

Equity Holdback: An equity holdback in the amount of $160,716 will be held until the completion of all repairs, at which time it will be released to the borrower.

13. Low-Income Housing Tax Credits

N/A

Woods at Wareham

VOTES AND FINDINGS

PROPOSALS AND VOTES

Staff proposes the following votes for approval:

VOTED: To approve the findings and determinations set forth below and to authorize the Massachusetts Housing Finance Agency ("MassHousing") (1) to accept the assignment from Rockport Mortgage Corporation of a HUD Firm Commitment to provide mortgage insurance through the Federal Housing Administration pursuant to Section 223(f) of the National Housing Act for a first mortgage loan in the approximate amount of $23,867,100 or such other amount as evidenced in the HUD Firm Commitment, subject to the limitation that the final amount of such loan shall not be more than $32,220,585 nor less than $15,513,615 to Riverview Village (the "Borrower") for Woods at Wareham and (2) to make the FHA-insured first mortgage loan to the Borrower in the approximate amount of $23,867,100 (the "New Loan"), subject to the limitation that the final amount of such loan shall not be more than $32,220,585 nor less than $15,513,615 on terms acceptable to MassHousing, in compliance with the terms of the Prepayment Approval for MassHousing Multifamily Mortgages adopted by the Agency on October 14, 2014 and subject to MassHousing's General Closing Conditions for loans made under MassHousing's MAP/Ginnie Mae Multifamily Joint Venture Lending Initiative approved by the Board on November 12, 2014.

FURTHER VOTED: That the Massachusetts Housing Finance Agency, acting through its officers duly authorized pursuant to the Government National Mortgage Association Resolution of Board of Directors and Certificate of Authorized Signatories approved by the Agency, is hereby authorized and directed to do all acts and things, and to execute and deliver any and all documents, certificates, securities and instruments necessary or desirable to effectuate the funding of a first mortgage loan insured by the U.S. Department of Housing and Urban Development, acting through the Federal Housing Commissioner, under Section 223(f) of the National Housing Act, to the Borrower for Woods at Wareham.

STATUTORY FINDINGS AND DETERMINATIONS

Statutory Findings:

The Loan 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:
97 units (97%) 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 January 20, 2026. 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 (1,086 approximate units in the area revealed a strong market, with increasing rental and occupancy rates over the past three years. Current occupancy rates of the six developments reviewed averaged approximately 96.4% and ranged between 93% and 96%. One of the comparables was offering a concession of up to 2 months free rent. The subject property has been operated as subsidized family development since 1972 and based on historic data the development and has average a vacancy rate of 1.196 over the last five years.

1st Qtr. 2026 CoStar data for the subject's South Plymouth County (10,224 units) has an overall vacancy rate at 3.6% YTD, which is a decrease of .74% from one year ago. CoStar data for the Boston market 297,529 units) has an overall vacancy rate of 6.6% YTD, which is an increase of .87% from one year ago. The South Plymouth county submarket vacancy rate is projected to decrease to 4.4% over the next five years, while the Boston market is projected to decrease to 6.3%.

CoStar, submarket data for the 4-5 Star building type (2,942 units) indicates a 1st Qtr. 2026 vacancy rate of 4.5% and an average asking rent of $2,770, while submarket data for the subject's 3 Star building type (3,368 units) indicates a 1st Qtr. 2026 vacancy rate of 3.8% at an average asking rent of $2,418 and 1-2 Star buildings(3,914 units) indicates a 1st Qtr. 2026 vacancy rate of 2.6% at an average asking rent of $1,972. 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 Department of Housing and Community Development's (DHCD) Chapter 40B Subsidized Housing Inventory (09/30/25), the town of Wareham has 10,806 year-round housing units, 972 (9.0%) of which are subsidized for low/moderate income households.

The Wareham Housing Authority (WHA) owns/operates 143 units of State public housing (104 elderly/disabled). Per the Wareham Housing Authority, they maintain 6,907 households on their public housing wait lists. Per the Wareham Housing Authority, they do not administer a tenant-based assistance program (e.g. Housing Choice Vouchers).

U.S. Census data from the 2019-2023 American Community Survey (ACS) indicates that of the 10,458 households in the Town of Wareham, approximately 82.9% earned less than the HUD published 2025 AMI ($160,900), approximately 48.8% earned less than 50% of 2025 AMI, approximately 56.1% earned less than 60% of the 2025AMI and approximately 70.5% 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 nor 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:

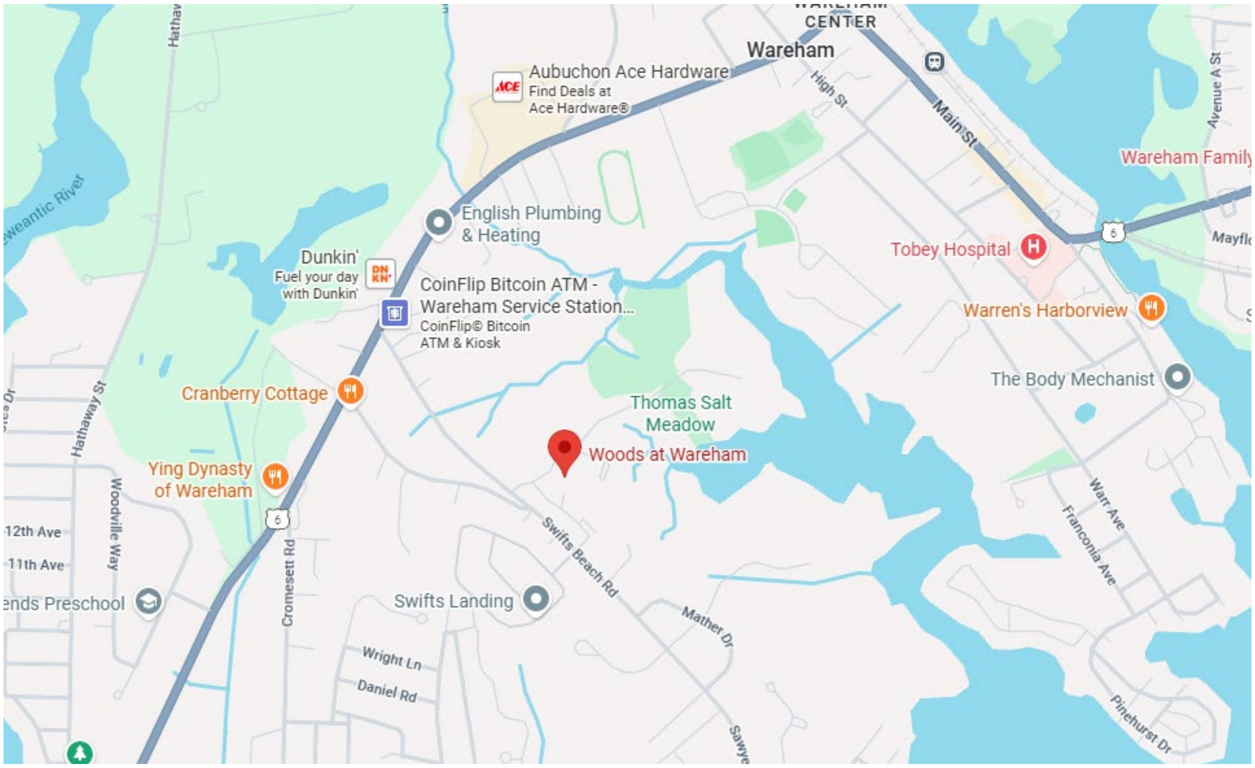
Pursuant to Section 6(a) of the Act, MassHousing makes the following rental determinations for units within the proposed Development:

Rent Schedule:

Number of Bedrooms	1	2	3
Number of Units	16	72	12
Net SF/Unit	629	880	1,050
Elev./Non-Elev.	Non-Elev.	Non-Elev.	Non-Elev.
Market Rate Rent	$3,260	$3,622	$4,104
(10% Rate 20 Year Term))			
MHFA Below Market Rent	$2,287	$2,650	$3,132
(Cost-Based Rent)			
MHFA Adjusted Rent	30% of 80% of AMI		
Underwriting Rents			
Section 8 PBV	$2,290	$2,650	$3,225
PBV	$2,247	$2,650	$3,225
Unrestricted		$2,635	$2,107

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 | February 10, 2026

Woods at Wareham

Location	Wareham
Sponsor	HK Management LLC
Transaction Type	Preservation
Funding Type	Current (Permanent only)
Execution Type	Taxable MAP JV 223(f)
Credit Enhancement	HUD-Insured with 1% credit risk
MH Risk Rating	Financial: A Physical Condition: A Compliance: A
Total Rental Units	100
Affordability Mix	97 Affordable 3 Unrestricted

Deal Team Members	
Origination	Tai Pope, Matt Deych
Underwriting	John Collins
Asset Management	Megan Delsignor

MassHousing

Woods at Wareham

MassHousing

Borrower Team

Mortgagor Entity	Riverview Village
Developer / Sponsor	HK Management LLC
General Partner / Managing Member	HK Guilford GP, Inc.
MAP Lender Partner	Rockport Mortgage Corporation
Management Company	HK Management LLC

Unit Mix

Unit Size	Total Units	Project-Based Section 8*		PBV*		Unrestricted		Market Comparison
		Count	*Rent*	*Count*	*Rent*	*Count*	*Rent*	
1BR	16	15	$2,400	1	$2,247	-	-	$2,290
2BR	72	55	$3,100	15	$2,827	2	$2,635	$2,650
3BR	12	8	$3,550	3	$3,418	1	$2,107	$3,225
Total	**100**	**78**		**19**		**3**		

*PBV rents are underwritten at the lower of the contract rents or the appraiser's market rents.

MassHousing

Sources and Uses

Sources		
New First Mortgage		$23,867,100
Existing Reserves		$325,391
	Total:	$24,192,491

Uses		
Existing Indebtedness – Including Prepayment Fee		$8,178,175
Repairs		$810,332
General Development		$876,403
Initial Deposit to Replacement Reserve		$1,055,000
Assurance of Completion Escrow		$80,358
Equity Takeout		$13,192,223
	Total:	$24,192,491

Lender Narrative Analysis

- Valuation
- Repairs
- Deferred Critical Repairs
- Capitalized Reserves
- Equity Holdback

Recommended Votes

- Approval to accept assignment of a HUD-issued Firm Commitment for FHA insurance
- Commitment of a first mortgage loan
- Approval to financing the New Loan through the issuance of a Ginnie Mae MBS

Delinquency Summary Report

Jan 31, 2026

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

Program Type	Principal Program Detail	Number of Developments	Project Outstanding Loan Amount	Developments Delinquent	Delinq Outstanding Loan Amount	Pct $ Delinq Loans	Pct # Delinquent Loans
INDEP	Options for Independence	12	$174,352	0	$0	0.00%	0.00%
INDEP - Total		**12**	**$174,352**	**0**	**$0**	**0.00%**	**0.00%**
OTHER	Other Subordinate Only	1	$962,518	0	$0	0.00%	0.00%
OTHER - Total		**1**	**$962,518**	**0**	**$0**	**0.00%**	**0.00%**
SECT8PBCA	Project Based Section 8	178	$3,086,292,230	0	$0	0.00%	0.00%
SECT8PBCA - Total		**178**	**$3,086,292,230**	**0**	**$0**	**0.00%**	**0.00%**
SECT8VOUCH	Project Based Section 8 Vouchers	32	$488,354,829	0	$0	0.00%	0.00%
SECT8VOUCH - Total		**32**	**$488,354,829**	**0**	**$0**	**0.00%**	**0.00%**
SHARP	SHARP/ RDAL	3	$42,980,685	0	$0	0.00%	0.00%
SHARP - Total		**3**	**$42,980,685**	**0**	**$0**	**0.00%**	**0.00%**
TAXCREDIT	Tax Credit (4% and/or 9%)	171	$1,551,463,394	2	$55,730,375	3.59%	1.17%
TAXCREDIT - Total		**171**	**$1,551,463,394**	**2**	**$55,730,375**	**3.59%**	**1.17%**
UNSUB	Un-Subsidized	24	$345,440,063	0	$0	0.00%	0.00%
UNSUB - Total		**24**	**$345,440,063**	**0**	**$0**	**0.00%**	**0.00%**
WORKFORCE	Workforce Housing	10	$142,373,623	0	$0	0.00%	0.00%
WORKFORCE - Total		**10**	**$142,373,623**	**0**	**$0**	**0.00%**	**0.00%**
		6	$149,927,332	0	$0	0.00%	0.00%
- Total		**6**	**$149,927,332**	**0**	**$0**	**0.00%**	**0.00%**
Overall - Total		**437**	**$5,807,969,024**	**2**	**$55,730,375**	**0.96%**	**0.46%**

Delinquency Detail

Jan 31, 2026
Delinquencies in Excess of: $1,000

Tax Credit (4% and/or 9%)

Principal Program Code	Project Id - Development Name	City/Town	Total Rental Units	Project Outstanding Loan Amount	Total Due & Uncollected	Past Due Installments
TAXCREDIT	16-004 Pac 10 Lofts, Phase One	Lawrence	180	$33,825,580	$19,781,401	37
	17-042 Worcester Courthouse	Worcester	118	$13,638,500	$8,181	1
	20-110 2147 Washington	Boston - Roxbury	62	$10,000,000	$13,300	1
Overall - Total			**360**	**$57,464,080**	**$19,802,882**	

Delinquency Detail by Investor

Jan 31, 2026
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	$16,057,580	$16,105,146	1
				20-110-01	20-110 2147 Washington	62	$10,000,000	$10,000,000	$26,600	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	$2,296,625	37
			HOUSING BOND RES 2019A	17-042-01	17-042 Worcester Courthouse	118	$12,200,000	$11,733,706	$0	0
			HOUSING BOND RES 2022A-1	16-004-01	16-004 Pac 10 Lofts, Phase One	180	$6,668,000	$6,668,000	$1,379,630	37
			HOUSING BOND RES 2022B	17-042-02	17-042 Worcester Courthouse	118	$2,000,000	$1,904,795	$8,181	1
Overall - Total						**360**	**$59,968,000**	**$57,464,080**	**$19,816,182**	