

Over the past 30 years and in line with its mission, The Millennial Companies have successfully acquired and preserved more than 20,000 units of affordable housing. As part of The Millennial Company's preservation model, the company recently completed a comprehensive rehabilitation of Sunset Village, totaling \$12.8M or \$94K per unit in construction costs. The improvements made to the property have resulted in Sunset Village currently having an extensive waitlist, with the management team working on processing applications and move-ins daily.

Regarding concerns with select properties, The Millennial Companies previously acquired the highly distressed GMF portfolio, spanning 39 assets and 4,600 units at HUD's request. At the time of this acquisition, The Millennial Companies was in good standing with HUD and had no outstanding issues. However, the immense physical deterioration of all the GMF properties, exacerbated by COVID, economic uncertainty, and interest rate increases, have presented challenges in rehabilitating a portion of these communities and others in The Millennial Companies' portfolio.

Following more than three decades of preserving and rehabilitating subsidized affordable housing, The Millennial Companies is in the process of selling the majority of its affordable multifamily housing properties. Through this strategic pivot, which began in January 2023, The Millennial Companies will further its commitment to and reinvestment in its Northeastern Ohio and downtown Cleveland holdings, with a focus on its hospitality, market rate, and commercial portfolios.

The Millennial Companies is thankful for its decades of partnership with HUD and looks forward to facilitating a smooth transition in partnership with HUD and the future buyer. While The Millennial Companies is in the process of addressing all issues raised by HUD, the company will satisfy all obligations and issues with the completion of the sale.