



Massachusetts Housing Finance Agency  
One Beacon Street, Boston MA 02108  
TEL 617.854.1000 | VP 866.758.1435 | FAX 617.854.1091 | [www.masshousing.com](http://www.masshousing.com)

#### Contacts

Eric Gedstad: 617.854.1079 | [egedstad@masshousing.com](mailto:egedstad@masshousing.com)  
Tom Farmer: 617.854.1843 | [tfarmer@masshousing.com](mailto:tfarmer@masshousing.com)

## **MassHousing closes record transaction to preserve scarce affordable rental housing**

### ***Package of 10 loans totaling \$125 million will keep nearly 1,000 apartments in 10 communities affordable for 60 years***

BOSTON – January 20, 2011 – MassHousing announced today that it has closed a package of 10 loans that is likely the largest private housing preservation transaction in state history.

Rhode Island Homes, LLC, a subsidiary of Providence Realty Investment has borrowed \$125 million from MassHousing to purchase 10 existing affordable apartment communities from their former owner, Equity Residential. Nearly one-third of the 931 apartments involved were at risk of converting to market rents and being lost from the state's inventory of affordable housing.

A number of the properties are in high-cost Boston suburbs including Wellesley, Needham, Winchester and Sudbury.

"It is unusual that we have the opportunity to preserve a whole portfolio of affordable housing in one transaction," said MassHousing Executive Director Thomas R. Gleason. "This is one of the most complex transactions in our 45-year history, but we're pleased that we have the technical expertise to get it done, especially when every unit of affordable housing is critical."

Equity Residential put the portfolio of 10 apartment communities up for sale last year. While all of the privately-owned, publicly-subsidized properties were already serving low- and moderate-income renters, at least 360 units were eligible to opt out of their affordable restrictions and convert to market rents. However, conditions of the MassHousing loans, along with Rhode Island Homes, LLC's commitment to affordable housing, will ensure that rents at the 10 properties remain affordable for lower income renters for at least the next 60 years.

Providence Realty Investment is a privately held, full-service real estate company based in Providence, R.I., that specializes in the acquisition and development of affordable housing.

All ten of the properties were originally financed by MassHousing between 1979 and 1984. They are privately owned and managed, but are subsidized by federal Section 8 Housing Assistance Program contracts.

The \$125 million in MassHousing financing is the largest in the Agency's history for a private transaction to preserve affordable housing and is believed to be one of the largest – if not the largest – in state history, although several public housing renovation projects have received larger loans.

"This is great news for hundreds of families and senior citizens and exactly the kind of affordable housing lending we should be doing," said Secretary of Housing and Economic Development Gregory Bialecki. "Many of these apartments may well have gone to market rents and become unattainable to working families and seniors living on fixed incomes without MassHousing's financing to keep them affordable."

The properties purchased and preserved by Rhode Island Homes with the MassHousing loans are:

- Cedar Glen in Reading, \$17.4 million in loans for 114 units of elderly housing.
- Glen Grove in Wellesley, \$22.9 million in loans for 125 units of elderly housing.
- Gosnold Grove in Falmouth, \$2.3 million in loans for 33 units of family housing.
- Nehoiden Glen in Needham, \$11.6 million in loans for 61 units of elderly and family housing.
- Chestnut Glen in Abington, \$16 million in loans for 130 units of elderly housing.
- Heritage Green in Sturbridge, \$12.1 million in loans for 130 units of elderly and family housing.
- Noonan Glen in Winchester, \$2.5 million in loans for 18 units of elderly housing.
- Norton Glen in Norton, \$18.2 million in loans for 150 units of family housing.
- Longfellow Glen in Sudbury, \$14.7 million in loans for 120 units of elderly and family housing.
- Old Mill Glen in Maynard, \$7.3 million in loans for 50 units of family housing.

"We commend the professionalism and dedication of the staff at MassHousing and all of the state agencies involved in this project," said Richelle Dominique, Director of Investor Relations for Rhode Island Homes LLC. "Through MassHousing's financing, we will be making moderate capital improvements to these housing communities totaling more than \$15 million in the first year of ownership. We are proud to help preserve high quality affordable housing for families throughout Massachusetts."

### ***About Rhode Island Homes, LLC***

Rhode Island Homes, LLC is a subsidiary of Providence Realty Investment, a privately held full service real estate company based in Providence, R.I. specializing in the acquisition and development of affordable and market-rate housing. Providence Realty Investment's success stems from the unique blend of professional backgrounds of founders Raymond Uritescu and Michael Hennessey, combining more than 40 years of experience in national real estate management, land development, professional engineering and finance. Visit [www.provri.net](http://www.provri.net) or telephone 866.797.7557 for more information.

### ***About MassHousing***

MassHousing (The Massachusetts Housing Finance Agency) is an independent, quasi-public agency created in 1966 and charged with providing financing for affordable housing in Massachusetts. The Agency raises capital by selling bonds and lends the proceeds to low- and moderate-income homebuyers and homeowners, and to developers who build or preserve affordable and/or mixed-income rental housing. MassHousing does not use taxpayer dollars to sustain its operations, although it administers some publicly funded programs on behalf of the Commonwealth. Since its inception, MassHousing has provided more than \$11 billion for affordable housing. For more information, visit the MassHousing website at [www.masshousing.com](http://www.masshousing.com).

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