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Rebirth: Loans from MassHousing to four Boston-based Community Development Corporations are helping to renovate 359 apartments which will all be affordable to low-income residents for the long-term

\$54.4 million in financing also put the CDCs on firmer financial footing and created construction jobs in Dorchester, Roxbury, Jamaica Plain and Mattapan

BOSTON – July 29, 2013 – Workers are on site, installing new systems and rehabilitating 359 apartments owned by four Boston-based Community Development Corporations (CDCs) as a result of financing provided by MassHousing, the state's affordable housing bank.

Additionally, the financing will result in all 359 apartments being preserved as affordable for the long term to low-income residents.

The loans to Urban Edge Housing Corporation, Codman Square Neighborhood Development Corporation, Lena Park Community Development Corporation, and Nuestra Comunidad Development Corporation helped to pay off old loans on the properties and prevented the previous lender from foreclosing. Foreclosures could have put the future of the affordable units in doubt.

"Without this financing nearly 400 units of affordable housing were in danger of being lost," said MassHousing Executive Director Thomas R. Gleason. "This financing will allow for significant renovation of all these properties and puts them on firm financial footing for years to come."

MassHousing has closed a total of \$52.4 million in loans for the four CDCs.

MassHousing provided \$12. million (\$7.6 million in bridge financing and a \$4.4 million permanent loan) to Urban Edge, which has 82 apartments on seven sites in the Columbus Avenue, Seaver Street and Minden Street areas of Roxbury and Jamaica Plain.

Lena Park, which entered into an agreement with Urban Edge to manage and rehabilitate its 103-unit LBB Apartments, received \$13.5 million (\$9.5 million in bridge financing and a \$4 million permanent loan). The 103 LBB Apartments are located on eight sites in the Blue Hill Avenue, Glenway Street, Talbot Avenue, Wellington Hill Street, Fessenden Street and Esmond Street area in Dorchester and Mattapan.

The two projects created a combined 380 construction jobs, of which 137 were new hires.

Codman Square received \$12.3 million (\$11.2 million in bridge financing and a \$1.1 million permanent loan). The Codman Square Apartments include 80 apartments on nine sites in the Dorchester Avenue, Washington Street, Capen Street, Gaylord Street and Norfolk Street areas in Dorchester. The project resulted in more than 50 construction jobs.

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Nuestra received \$14.4 million (\$11.1 million in bridge financing and a \$3.3 million permanent loan) for the 96-unit Washington Park Apartments, which are located in six buildings on Wyoming Street, Walnut Avenue and Columbus Avenue in Roxbury.

The project created more than 130 construction jobs of which Nuestra worked to recruit large percentages of minority (50%) and women (10%) workers and Boston residents (50%).

In addition to the MassHousing financing, the state Department of Housing and Community Development and the City of Boston provided additional resources for the projects.

In the late 1980s, using private bank loans and government subsidies, the CDCs purchased the apartments as part of a coordinated, public-spirited effort to revitalize undeveloped and/or vacant properties located along major thoroughfares like Columbus Avenue, Seaver Street, Blue Hill Avenue and others.

But the properties were soon buffeted by the real estate crash of the late 1980s and early 1990s. Despite sporadic infusions of financial support over the years the apartments were never able to generate the revenue necessary to support their debt.

While the properties were privately managed and have remained in decent condition over the years, their financial future and their ability to fund long-term repairs and upgrades was increasingly in doubt. Additionally, the CDCs were hampered by the debt on their books, which made it more difficult for them to move ahead with other community-based development projects.

With the refinances, the future is brighter for the residents, properties and the CDCs.

The finances for all the buildings have been completely restructured and old debts have been retired. The new loans can now be supported for the long term. The CDC's balance sheets have been right-sized and they now look to the future without worry that these apartment portfolios might hinder their ability to finance new endeavors.

"These properties were developed originally as part of an effort to revitalize communities by renovating vacant properties on major streets. Many are in areas that are gentrifying, and without MassHousing and support from the City of Boston and DHCD we would have lost these valuable assets for low-income working families in Boston," said Urban Edge Executive Director Chrystal Kornegay.

"MassHousing's underwriting, operating oversight and financing have been crucial for our Codman Square Apartments project. With their help, we have finally been able to refinance and rehabilitate this 80-unit BHP-1 property. Previous to this, we had made multiple efforts to bring together an adequate financing package, while the properties slowly decayed, physically, socially and financially. Indeed, the entire portfolio was threatened with foreclosure in the dark days of 2009. MassHousing's willingness to step up with bridge financing, and to participate in a permanent financing package, was key to turning this around," said Mark Dinaburg, Codman Square's Director of Real Estate Development.

"Preservation of affordability and critical repairs will keep 96 families in their homes for the long-term," said David Price, Executive Director of Nuestra Comunidad Development Corporation. "Providing that platform of stability is so important for the families living in Washington Park Apartments. We're proud to be working with WiSe Urban Development and our other partners to help improve these homes and enhance the surrounding neighborhoods within Roxbury."

All of the properties are undergoing extensive improvements and upgrades, including exterior building masonry, porches, windows, balconies and roofs, as well as substantial system repairs and upgrades including new fire alarm and sprinkler systems, high-efficiency boilers, updated wiring and lighting and new building insulation.

Interior improvements to the properties include new electric stoves, selective kitchen and bathroom replacement, energy-efficient lighting and appliances, and selective floor and door replacements.

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As a condition of the MassHousing financing, all 359 apartments will be affordable. Previously, only 25 percent of the units owned by three of the CDCs, and 20 percent owned by the fourth, were required to be affordable with the remaining apartments rented at market rates.

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 \$17 billion for affordable housing. For more information, visit the MassHousing website at www.masshousing.com, follow us on Twitter [@MassHousing](https://twitter.com/MassHousing), subscribe to [our blog](#) and [Like us](#) on Facebook.

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