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Elderly and Disabled Residents at Russell Apartments in Cambridge Will See Property Renovation, Extension of Affordability With \$13.9 Million in MassHousing Financing

Cambridge Housing Authority plans extensive rehabilitation of the 52-unit property

BOSTON - February 15, 2018 – MassHousing has provided \$13.9 million in financing to an affiliate of the [Cambridge Housing Authority](#). The MassHousing financing will allow the Cambridge Housing Authority to launch an extensive renovation of the Russell Apartments, a 52-unit affordable housing community serving low-income senior citizens and disabled residents. The transaction will also enable the Cambridge Housing Authority to extend affordability at the property for at least 30 years.

MassHousing is supporting the rehabilitation of the Russell Apartments with \$13.9 million in financing through the Agency's Conduit Loan Program. MassHousing will issue tax-exempt housing revenue bonds for public purchase and the proceeds will be used for construction purposes, in partnership with Wells Fargo Bank. The MassHousing conduit loan generated \$8.2 million in equity financing for the project, through federal Low-Income Housing Tax Credits. Project financing also includes a \$6.4 million sponsor loan and a \$6.3 million seller note.

"MassHousing is pleased to partner with the Cambridge Housing Authority, to help finance the significant improvements at the Russell Apartments through our Conduit Loan Program," **said MassHousing Acting Executive Director Tom Lyons**. "This important modernization and preservation project will ensure the property remains affordable for its residents long into the future."

The Russell Apartments are contained in a four-to-six story, midrise building at 2050 Massachusetts Avenue in Cambridge. As part of the transaction, the Cambridge Housing Authority will convert 51 existing one-bedroom, public housing units, to a project-based federal Section 8 Housing Assistance Payment Contract (HAP). The Russell Apartments modernization project will also add a new apartment, bringing the unit total to 52 under the HAP contract.

"Cambridge Housing Authority welcomes the opportunity to partner with MassHousing on the renovation of Russell Apartments," **said Michael Johnston, CHA's Executive Director**. "The ability to make the type of reinvestment in the property afforded by the tax-exempt bond financing and Low-Income Housing Tax Credits is critical to our efforts to protect and preserve affordable housing units in

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Cambridge. We look forward to working again with MassHousing as we proceed with plans to renovate 1,250 additional affordable units.”

Of the 52 units at Russell Apartments, 5 are for households earning at or below 30% of the Area Median Income (AMI), 42 units are for households earning at or below 60% AMI, and 5 units are for households earning at or below 80% AMI. The area median income for Cambridge is \$103,400. As a result of the transaction, the 52 units will remain affordable for at least 30 years.

The Cambridge Housing Authority plans to construct new kitchens and bathrooms in all units, while upgrading common areas, HVAC and fire protection systems, undertaking elevator replacement, and making siding and structural repairs.

MassHousing has financed or administers the rental subsidy for 14 rental housing communities in Cambridge involving 2,051 housing units and an original total loan amount of \$137.1 million. MassHousing has additionally provided \$68.5 million in financing to 550 Cambridge homebuyers or homeowners who refinanced their property.

About Cambridge Housing Authority

Established under state law on December 9, 1935, Cambridge Housing Authority (CHA) provides long-term rental housing and rental assistance to more than 5,500 low-income families, elders and disabled individuals through its Public Housing and Housing Choice Voucher (HCV) Programs. CHA invests in Cambridge families and provides enhanced support to almost 10% of the city population. By tailoring its approach to focus on policy innovation and family economic opportunities, CHA is able to meet its mission to develop and manage safe, good quality, affordable housing for low-income individuals and families in a manner which promotes citizenship, community and self-reliance in one of the most expensive housing markets in the country. For more information about CHA please visit www.cambridge-housing.org.

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 \$22 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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