



Massachusetts Housing Finance Agency  
One Beacon Street, Boston MA 02108  
TEL 617.854.1000 | FAX 617.854.1091 | VP: 857.366.4157 | [www.masshousing.com](http://www.masshousing.com)

#### Media Contacts

Paul McMorrow: 617.854.1141 | [pmcmorrow@masshousing.com](mailto:pmcmorrow@masshousing.com)  
Tom Farmer: 617.854.1843 | [tfarmer@masshousing.com](mailto:tfarmer@masshousing.com)

## **MassHousing Closes \$10.6 Million in Financing to Preserve Affordability, Make Extensive Property Improvements on 111 Affordable Housing Units in East Boston**

***Landfall Community Associates is owned by East Boston Community Development Corporation, which will extend affordability at the property, including 96 units that were in danger of losing affordability under the expiring Section 13A program.***

BOSTON – February 14, 2018 – MassHousing has closed on \$10.6 million in financing to the [East Boston Community Development Corporation](#) (EBCDC) for the acquisition, renovation and preservation of 111-unit scattered-site Landfall Community Associates properties in East Boston.

The transaction with the East Boston CDC refinances and consolidates two existing affordable housing communities: the 15-unit Landfall Apartments and the 96-unit East Boston Rehab portfolio. In addition to substantially rehabilitating the property and extending the affordability on the 111 units, the financing will resolve the expiring affordability restrictions from the Section 13A mortgage on the 96 East Boston Rehab units.

“This is a great outcome for the residents of these two affordable housing communities,” said **MassHousing Acting Executive Director Tom Lyons**. “MassHousing and the East Boston CDC worked closely to ensure that affordability would be preserved and extended, and that the expiring 13A subsidy was resolved in a way that protects residents for the long term. Significant property improvements mean the Landfall Community properties will continue to serve Boston’s working families well into the future.”

Ninety-six units at Landfall were originally financed under the state’s Section 13A housing affordability program, making them a risk to lose affordability. The Section 13A program was created by the Massachusetts Legislature in the 1970s to provide low-interest mortgage financing to affordable housing communities. Today, 13A communities serve some of the lowest-income and most vulnerable populations in Massachusetts, including many elderly residents. The mortgages on these 13A housing communities are nearing maturity and no federal resources are available for their preservation, making them high preservation risks.

In response, MassHousing and the [Department of Housing and Community Development](#) (DHCD) have committed a total of \$100 million in capital to help preserve affordable 13A units that otherwise would

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convert to market rates. DHCD is providing \$1 million in financing toward the 13A preservation at Landfall.

MassHousing provided a \$5.7 million permanent loan, a \$4.7 million bridge loan, and a capitalized 13A payment loan of \$134,401, and the MassHousing financing generated \$5.8 million in equity, through federal Low-Income Housing Tax Credits. The transaction also includes a \$7.1 million seller note, a \$501,188 deferred developer fee and \$323,000 in operating income.

“Once Again MassHousing has been a great partner in providing us with the ability to provide and preserve affordable housing,” said EBCDC Executive Director Albert Caldarelli. “There has never been a greater need for affordable housing than we are experiencing in East Boston today. With MassHousing as our partner we are confident we will succeed in this venture.”

The 111 units at Landfall are located in five low and mid-rise buildings on scattered sites at 72 Marginal St., 12 Seaver St., 265 and 350 Meridian St. and 186-192 Cottage St. in East Boston. Of the 111 units, 107 are for residents earning at or below 60% of the Area Median Income, which is \$60,020 for a family of four in East Boston. Four of the units will be rented at market rates.

Additionally, 15 of the units are subsidized through a federal Section 8 Housing Assistance Payment (HAP) Contract and 24 of the units are subsidized through the Massachusetts Rental Voucher Program (MRVP). The transaction will extend affordability at Landfall for at least 15 years, but affordability could be extended for up to 30 years based on allowable extensions of the HAP and MVRP contracts.

Among the property improvements planned for the property are renovation of all kitchens and bathrooms, window replacement and refurbishment, flooring, brick and masonry repairs, building system upgrades, replacement of fire alarm systems and some roof replacement.

The general contractor will be [Knollmeyer Building Corp.](#), the architect is [Davis Square Architects](#) and the management agent is [Metro Management](#), a subsidiary of EBCDC.

MassHousing has financed 9 rental housing communities in East Boston involving 851 units and \$45.9 million in original financing. MassHousing has also provided \$1.1 billion in home mortgage financing to 8,234 Boston homebuyers and homeowners.

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***About East Boston Community Development Corporation***

The East Boston Community Development Corp. is a non-profit community development corporation dedicated to enhancing the life of low income residents of East Boston. It has developed or co-developed more than 920 units of subsidized housing and manages 450 subsidized rental apartments. EBCDC grew out of the joint efforts of the East Boston Neighborhood Council, founded in the 1930's as a civic improvement association, and the Planning Office for Urban Affairs of the Roman Catholic Archdioceses of Boston. EBCDC has a long history of providing services to the community, including elderly housing opportunities, in neighborhoods of their choice, developing affordable and accessible housing, creating economic development programs, and supporting residents of public housing facilities. For more information about EBCDC please visit [www.ebcdc.com](http://www.ebcdc.com).

***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](http://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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