



Community Economic Development  
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## **Massachusetts Surpasses Another Milestone of Most Affordable Housing Units Ever Preserved in a Calendar Year**

### ***More than 6,000 Units of Affordable Housing Preserved in 2016***

**Boston, Mass. (June 29, 2017)** – Massachusetts preserved more than 6,000 units of affordable rental housing during 2016, according to data released today by the Community Economic Development Assistance Corporation (CEDAC). CEDAC is a public-private, community development finance agency that provides financial and technical assistance to non-profit organizations involved in affordable housing development and preservation, agencies that promote workforce development, and child care facilities that serve families in low income communities. 2016 marks the largest number of units preserved for affordable housing using state resources in a single calendar year since CEDAC began collecting data, surpassing the previous high water mark of almost 4,400 units preserved in 2015.

CEDAC's data shows that 7,054 total units in 46 mixed income project developments across the state were preserved using various types of state financing in 2016. From the total, 6,058 units were affordable and the remaining units were market rate. In addition to the units maintained through state financing programs, long term federal Section 8 contract renewals preserved 2,002 additional affordable apartments. The projects span the state and consist of large- and small-scale developments in urban, suburban and rural communities, including Barnstable, Boston, Brookline, Fall River, Framingham, New Bedford, Springfield and Worcester, to name a few.

The Baker-Polito Administration has made affordable housing preservation a high priority. At an event in Worcester City Hall on Wednesday, Lieutenant Governor Karyn Polito and Undersecretary Chrystal Kornegay announced \$42 million in tax credit equity and subsidies from the Massachusetts Department of Housing and Community Development (DHCD) to preserve three affordable housing developments in Worcester and in Franklin. These resources will fund the purchase and rehabilitation of the developments - Fruit Sever and Stratton Hill Apartments in Worcester and Glen Meadow Apartments in Franklin – which will preserve long-term affordability for more than 500 rental units. All three complexes were preserved through the Chapter 40T process, whereby DHCD designated The Community Builders, Beacon Communities and Schochet Companies, respectively, to acquire and preserve the buildings from their previous owners. While these projects are not reflected in the 2016 preservation numbers, they demonstrate the state's ongoing willingness to put resources towards affordable housing preservation.

“I am thrilled that Massachusetts has set another record for affordable housing preservation,” said Bill Brauner, CEDAC’s Director of Housing Preservation and Policy. “Preservation is a critical part of the affordable housing equation and the state has maintained its commitment to preserving these properties for families and individuals. There are a variety of federal, state and local resources available to support affordable housing in Massachusetts. The fact that more than 6,000 units were preserved demonstrates that the innovative tools the state put in place are effective.”

Framingham’s Tribune Apartments is an example of a project that preserved affordable housing units last year. The non-profit organization, Preservation of Affordable Housing, Inc. (POAH), was able to acquire the 53-unit building for elderly and disabled persons through an \$8.1 million loan from CEDAC and our participant Massachusetts Housing Investment Corporation (MHIC) in 2013. In March 2016, DHCD announced \$3.7 million in state funding to help complete renovations on the development. POAH closed on its financing and started the rehabilitation process in December 2016.

The Commonwealth, through DHCD, along with quasi-public state agencies MassHousing, Mass Development and Mass Housing Partnership utilize a variety of resources to support affordable housing preservation, including housing tax credits, subordinate loans and various forms of mortgage financing and the tools enabled by Chapter 40T that help to monitor and address affordable housing challenges in Massachusetts. CEDAC also provides acquisition loans and other early stage financing to nonprofit developers seeking to preserve affordable units.

An innovative state law, Chapter 40T, which celebrated its seventh anniversary as a law in 2016, has helped to preserve affordability in communities across the state, ensuring that families are able to stay in their homes and neighborhoods. It establishes public notification provisions for tenants and state and local officials, a right of offer and right of first refusal for DHCD or its designee to purchase publicly-assisted housing, and modest tenant protections for projects with affordability restrictions that terminate. As a result of Chapter 40T, DHCD has helped to preserve more than 25,000 units of affordable rental housing with the use of state financial resources.

“It’s clear that Chapter 40T has been successful in achieving the Commonwealth’s goals of preserving affordable housing,” said Roger Herzog, CEDAC’s executive director. “Leadership at the state and municipal level has helped to make this law a success. But Massachusetts is still at risk of losing thousands of affordable units in communities that need them, and so we must continue to work to preserve those homes.”

Chapter 40T was enacted in 2009 in response to a crisis that evolved out of the way that many large-scale affordable housing developments were financed in the late 1960s and 1970s. At that time, these apartments were built by private owners utilizing state and federally-funded mortgage programs that connected access to below market rate 40 year mortgages to affordable housing use restrictions. Many of those mortgages are reaching maturity in the next several years, at which point the use restrictions terminate and the owners may convert the affordable housing to market rate.

CEDAC maintains a database of the privately-owned stock of publicly assisted affordable housing on behalf of DHCD and other Massachusetts public lenders. This database tracks over 1,500 projects with 130,000 housing units. CEDAC also works with its state partners to focus resources in support of the non-profit development system for production of affordable housing. CEDAC is also active in national housing preservation policy research and development and is widely recognized as a leader in the non-profit community development industry.

### **About CEDAC**

CEDAC is a public-private community development finance institution that provides financial resources and technical expertise for community-based and other non-profit organizations engaged in effective community development in Massachusetts. CEDAC's work supports three key building blocks of community development: affordable housing, workforce development, and early care and education. CEDAC is also active in state and national housing preservation policy research and development and is widely recognized as a leader in the non-profit community development industry. For additional information on CEDAC and its current projects, please visit [www.cedac.org](http://www.cedac.org).