



ANN ALLOSSO

Resident of Chapman Arms, Cambridge

A resident of Cambridge for nearly 60 years, Ann Allosso raised her children in East Cambridge before moving to Chapman Arms in 1986. Ms. Allosso took a lead role in organizing tenant participation to preserve affordability and spoke at a hearing at City Hall. She notes the amount of work that the tenants and HRI staff, Peter Daly and Jane Carbone, put into making Chapman Arms a success. "Chapman Arms is diverse. The people in the building, they are my neighborhood. I've made it my home – that's why I stayed here and that's why I love it."

Chapman Arms

Massachusetts Celebrates Successful Efforts to Preserve Affordable Housing

In November 2014, CEDAC and the Massachusetts Department of Housing and Community Development (DHCD) joined representatives of Homeowner's Rehab, Inc. (HRI), Cambridge City Manager Richard Rossi, and state and local officials to celebrate the completion of the Chapman Arms development in Cambridge. Chapman Arms was the first project completed under Chapter 40T, an effort by Massachusetts elected officials to preserve affordable housing across the Commonwealth.

Chapman Arms is a 50-unit building located in the heart of Harvard Square. In the 1980s, a deal was struck to convert 25 of the 50 units into affordable apartments, while the other 25 are rented at market rates. Harvard Square has since become one of the most desirable, and expensive, neighborhoods in Greater Boston. Still, maintaining affordability in the community has always been an important priority for a city that prizes diversity.

When the owner sought to sell Chapman Arms in April 2011, many of the critical monitoring and preservation provisions of Chapter 40T applied. This was the first real opportunity for the Commonwealth of Massachusetts to exercise its preservation purchase rights. DHCD chose to exercise those rights by designating Cambridge-based non-profit HRI as its agent in

the transaction. HRI has been developing and preserving affordable housing in Cambridge for over 35 years.

Knowing that this was an important opportunity to preserve affordable homes, HRI approached CEDAC for its assistance. Through the Massachusetts Preservation Loan Fund, CEDAC provided an \$8.1 million loan to Homeowner's Rehab to acquire the building. This acquisition loan included financial participation by the Massachusetts Housing Investment Corporation, who works with CEDAC on the Loan Fund. In addition to the CEDAC financing, the City of Cambridge also committed \$4 million in loans to the project through its Affordable Housing Trust.

Chapman Arms represented an important milestone for the state's innovative Chapter 40T law. It demonstrated how effective Chapter 40T is – to both residents and building owners – in maintaining critically important affordable housing units across Massachusetts.

Massachusetts continues to face an expiring use challenge when it comes to affordable housing in the Commonwealth. Over the next decade, we will see more and more large-scale affordable housing developments built in the late 1960s and early 1970s



reach mortgage maturity. At least 6,500 affordable apartments without long term restrictions have reached the end of their 40-year mortgages, though the majority of units have been preserved as affordable. Another 4,686 apartments in 48 properties will reach Year 40 by the end of the decade. Preserving the affordability of these units is a high priority in the state.

Signed into law in 2009, Chapter 40T has given DHCD and CEDAC tools to monitor and address the expiring use challenge. Among the most important provisions of Chapter 40T are purchase rights to allow DHCD or its designated agent to acquire and preserve these expiring affordable housing projects if an owner is proposing to sell a building. The \$150 million Massachusetts Preservation Loan Fund, administered by CEDAC, was established independently for predevelopment

and acquisition financing for preservation projects. In 2009, the highly regarded John D. and Catherine T. MacArthur Foundation supported CEDAC and the Massachusetts Preservation Loan Fund with a \$4 million investment.

Massachusetts has preserved 110 existing affordable housing developments, totaling more than 14,750 affordable units, across the Commonwealth since Chapter 40T became law. In 2014 alone, Massachusetts preserved 3,278 affordable units. Most importantly, since the passage of Chapter 40T, Massachusetts has lost no affordable housing units to sale.

With its state and local partners, CEDAC looks forward to celebrating more preservation successes like the Chapman Arms project across Massachusetts in the years to come.

“Over the past five years, 40T has proven to be an extraordinary tool in our Commonwealth’s efforts to preserve affordable housing. I am proud to have sponsored this legislation and am pleased to witness its continued success.”

Kevin Honan
State Representative

CHAPTER 40T AT FIVE:

OVER

10,000

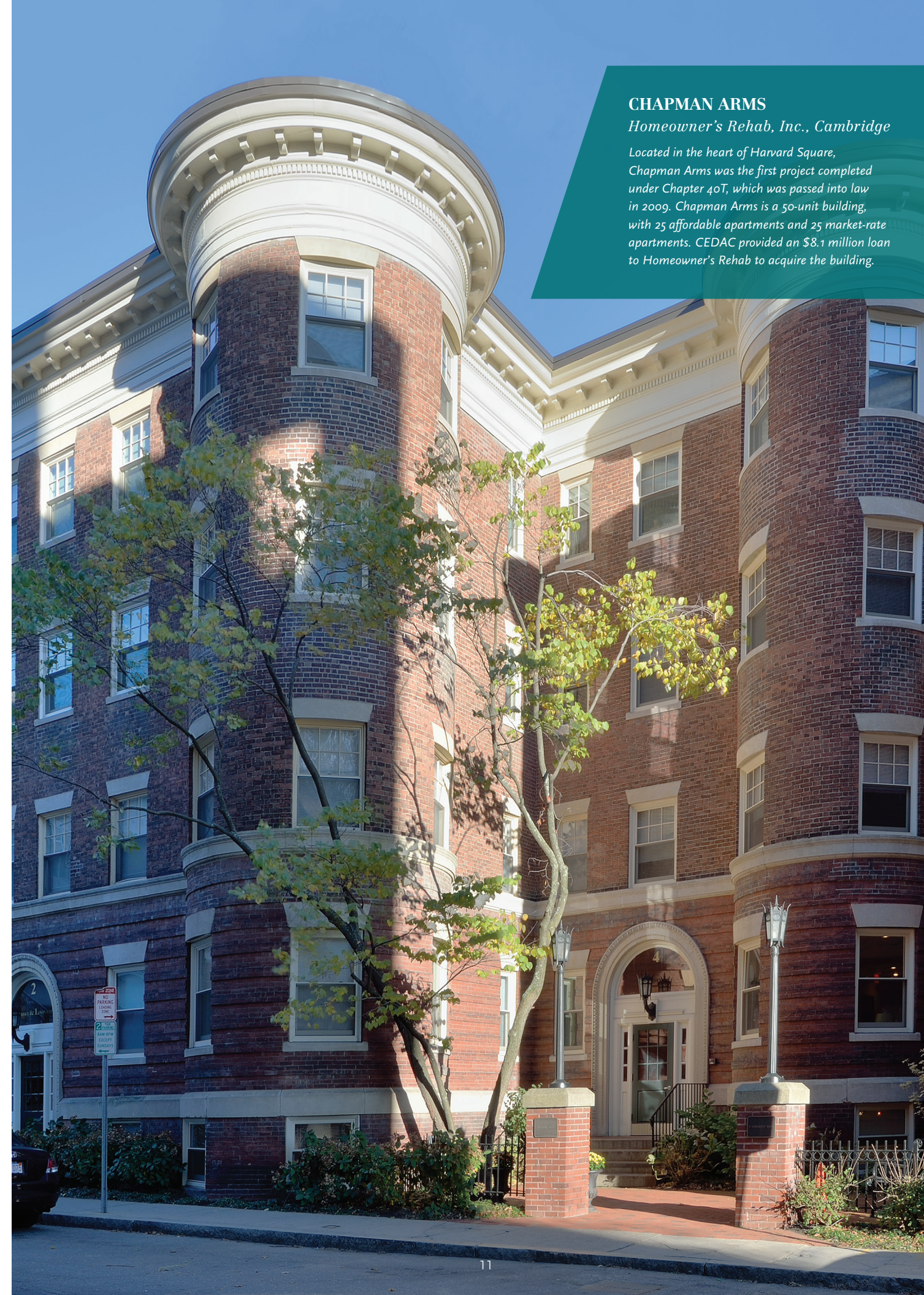
UNITS IN OVER 100 PROPERTIES
HAVE BEEN PRESERVED
THROUGH EXEMPTIONS

1,166

UNITS HAVE BEEN PRESERVED
USING THE STATE’S RIGHT OF
FIRST OFFER/REFUSAL



Representative Kevin Honan



CHAPMAN ARMS *Homeowner’s Rehab, Inc., Cambridge*

Located in the heart of Harvard Square, Chapman Arms was the first project completed under Chapter 40T, which was passed into law in 2009. Chapman Arms is a 50-unit building, with 25 affordable apartments and 25 market-rate apartments. CEDAC provided an \$8.1 million loan to Homeowner’s Rehab to acquire the building.