



Community Economic Development
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More than 3,750 Units of Affordable Housing Preserved in Massachusetts in 2018

Boston, Mass. (May 22, 2019) – Massachusetts preserved the long-term affordability of more than 3,750 units of rental housing during 2018, 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 and child care facilities serving families in low-income communities.

CEDAC's data shows that 3,814 total units in 25 project developments across the state were preserved using various types of state financing in 2018. Of these, 3,755 units will have long-term affordable housing restrictions. The total includes 609 units of housing financed through the state's 13A program in the early 1970s. The projects preserved in 2018 span the state and consist of large- and small-scale developments in urban, suburban and rural communities, including Bedford, Boston, Brockton, Chicopee, Lynn, Northbridge, Orange, Springfield, Ware, and Wilbraham, to name a few.

"2018 was another very successful year for affordable housing preservation in Massachusetts, as evidenced by the overall number of high-risk projects that were preserved," said Bill Brauner, CEDAC's Director of Housing Preservation and Policy. "Our state continues to be a leader in finding innovative solutions to this problem. The fact that we preserved 3,750 affordable units last year – including 600 13A units - is a testament to the incredible efforts of developers and public agencies across the state."

Boston's Burbank Gardens is a prime example of the Commonwealth's success in preserving affordable housing. Financed through the MassHousing 13A program in the 1970s, the project's 40-year mortgage reached maturity in March 2018. Had no effort been made to maintain affordability, 52 units in the increasingly expensive Fenway neighborhood of Boston would have been converted to market rate without any protections for current tenants. CEDAC provided technical assistance and acquisition financing to the Fenway CDC to help preserve affordability.

The Commonwealth, through the Department of Housing and Community Development (DHCD), along with quasi-public state agencies MassHousing, MassDevelopment and the Massachusetts Housing Partnership (MHP) 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.

An innovative state law, Chapter 40T 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 35,000 units of affordable rental housing with the use of state financial resources.

“The threat of tenant displacement is very real for low- and moderate-income families living in expiring use properties in the state, and so it is gratifying to see innovative affordable housing preservation policies result in long-term affordability,” said Roger Herzog, CEDAC’s executive director. “We are pleased to see that Chapter 40T remains an effective policy and useful tool in preserving affordable units.”

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 rental housing on behalf of DHCD and other Massachusetts public lenders. [This database](#) tracks over 1,600 projects with 135,000 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 state and 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 Massachusetts community development finance institution that provides predevelopment and acquisition lending along with technical expertise for community-based and other non-profit organizations engaged in effective community development in Massachusetts. CEDAC’s work supports two key building blocks of community development: affordable housing and early care and education. For additional information on CEDAC and its current projects, please visit www.cedac.org.