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MassHousing closes \$22.6 million in financing for Just-A-Start Corp.

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50 York Street - Cambridge, MA

Cambridge, MA MassHousing has closed \$22.6 million in financing for the nonprofit developer Just-A-Start Corp. (JAS) for the acquisition and renovation of 112 affordable apartments, including the new construction of a 16-unit building at 50 York St. that was destroyed in a 10-alarm fire in December 2016.

The MassHousing financing allows JAS to invest \$17 million in a renovation and modernization of the scattered-site portfolio, which consists of 20 low-rise, mid-rise, and townhouse apartment

buildings, located on 10 sites throughout the city. All 112 rental units will be affordable to households earning at or below 60% of the Area Median Income (AMI), which is \$62,040 for a family of four.

MassHousing has committed a \$10.1 million permanent loan and a \$12.5 million bridge loan. Other financing sources for the \$45.6 million transaction include \$14.2 million in equity generated through an allocation of Low-Income Housing Tax Credits by the Massachusetts Department of Housing and Community Development, a \$3.8 million JAS seller note, a \$5.2 million sponsor loan, \$10.1 million in assumed subordinate debt, a \$540,000 loan from the Cambridge Redevelopment Authority and a \$435,000 deferred developer fee. JP Morgan Chase is providing \$22.6 million in construction financing.

Forty-one of the 112 units are supported by a federal Section 8 Housing Assistance Payment contract. There are 17 one-bedroom apartments, 40 two-bedroom apartments, 45 three-bedroom apartments and 10 four-bedroom apartments.

The contractor is NEI General Contracting. The architect is Winslow Architects and the management agent is Maloney Properties.

“We were pleased to provide financing to preserve and modernize this very important affordable housing resource in Cambridge, which is one of the most expensive rental housing in the country,” said MassHousing acting executive director Tom Lyons. “Just-A-Start, the city of Cambridge, and the Baker-Polito Administration were committed to making sure that these apartments not only remained affordable to lower-income residents and working families, but also to ensure that these properties received the significant improvements needed to keep them livable for years to come. The 16 families who lost everything in the massive 2016 fire will have the opportunity to return to a brand-new building, where they will be able to live and prosper as they had before their lives were turned upside down.”

“This project demonstrates the power of a caring community to support the timely replacement of the homes lost in the 2016 fire. Now, more than ever, the housing preserved with this project is essential to the health and stability to these Cambridge families,” said JAS executive director Deborah Ruhe.

MassHousing has financed or administers the subsidy contract for 14 rental communities in Cambridge, for a total of 2,051 housing units and an original loan amount of \$135.5 million and provided \$68.5 million in financing to 550 Cambridge homebuyers or homeowners.

Just-A-Start is a community development corporation dedicated to building the housing security and economic stability of low- to moderate-income people in Cambridge and nearby communities. Through innovative, comprehensive, and integrated programs, JAS provides and preserves affordable housing, offers education and workforce training for youth and adults, and builds community engagement. JAS's vision is a better future for all of its constituents - a secure home, a sustaining career, and engagement in the community.

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.

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