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MassHousing closes \$87.2 million in financing for 808 Memorial Dr.

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808 Memorial Drive - Cambridge, MA

Cambridge, MA MassHousing has closed on a total of \$87.2 million in affordable housing financing to the non-profit Homeowners Rehab, Inc. (HRI), for the modernization and preservation of affordability at the 300-unit 808 Memorial Dr. The MassHousing financing will allow HRI to extend affordability protections at the property by at least 15 years, and to invest substantially in property renovations.

The 300 apartments are contained in two high-rise buildings on Memorial Dr. along the Charles

River.

“The homes at 808 Memorial Dr. were originally built to advance a vision of Cambridge as inclusive and welcoming to residents of all means,” said MassHousing executive director Chrystal Kornegay. “Through this transaction, Homeowners Rehab will ensure that vision remains true, and that 808 Memorial Dr. continues to serve as a vibrant, safe, modern affordable housing resource, well into the future. MassHousing is thrilled to partner with Homeowners Rehab and the city of Cambridge on this important transaction.”

“This project encountered a number of challenges over the years and we are very grateful to MassHousing for staying with us and helping meet those challenges. No other lender could have done what MassHousing did. We also want to thank DHCD, the city of Cambridge and the residents for their support,” said HRI executive director Peter Daly.

MassHousing provided Homeowners Rehab with a \$61.5 million tax-exempt construction and permanent loan, \$24.9 million in taxable and tax-exempt tax credit equity bridge financing, and a \$787,763 interest reduction payment (IRP) loan. The project will also use \$8.9 million of income during the construction period for development costs.

The transaction also involved \$36.9 million in equity financing from an allocation of Low-Income Housing Tax Credit tax credits by the Massachusetts Department of Housing and Community Development (DHCD). The tax credits were syndicated by RBC.

Of the 300 apartments, 212 will be supported for 15 years by a federal Section 8 Housing Assistance Payment contract for lower-income residents administered by the Cambridge Housing Authority. The additional 88 apartments at the property are rented at market rates.

Located at the intersection of Memorial Dr. and River St., 89 apartments are contained in the 10-story building at 808 Memorial Dr., and 211 apartments are contained in the 19-story building at 810-812 Memorial Dr. The properties also have office and commercial space and 808 Memorial Dr. has a first-floor daycare center.

There are 128 one-bedroom apartments, 138 two-bedroom apartments, 30 three-bedroom apartments, and 4 four-bedroom apartments.

Among the improvements planned for the property include new windows, new balcony doors, new kitchens and bathrooms in some the units, landscaping and paving improvements, and fire alarm upgrades. The building exterior will receive new cladding, which will improve energy efficiency. Construction is expected to be completed by the end of 2022.

The general contractor is NEI General Contracting. The architect is Bruner Cott and the management agent is Wingate Management.

MassHousing has financed or manages the rental subsidy on 14 rental housing communities in

Cambridge involving 2,141 units and \$475.6 million in financing. The Agency has also provided home mortgage financing to 551 homeowners in Cambridge with \$68.5 million in financing.

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