



MHIC Closes Financing for New 20-Unit Affordable Housing Project in Cambridge, Mass.

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Massachusetts Housing Investment Corporation (MHIC) announced closing of a \$3.6 million low-income housing tax credit (LIHTC) investment for new construction of affordable rental housing in Cambridge, a city with a limited supply of affordable rental housing and limited development options.

Capstone Communities and Hope Real Estate Enterprises, both Cambridge-based, are co-developing the project – Port Landing – on a vacant 10,000 square-foot lot. In 1998, the Bulfinch Companies, a Needham real estate firm deeded this strategically located property to a local neighborhood group. The deed required that it could only be used for specific community-serving uses, but the land remained undeveloped and vacant for nearly 17 years.

Specifically, Port Landing is located at 131 Harvard Street, at the intersection of residential and business neighborhoods. This is a key transition area between the emerging life science and technology hub of Kendall Square. It is adjacent to Biomed, across the street from a city-owned park and within walking distance to Inman Square and Central Squares, both neighborhoods with a variety of local restaurants, grocery stores, banks and retail stores. The area is well served by public transit and within walking distance to major job centers and schools.

Port Landing will be a three-story wood frame building with an elevator. The ground floor will have six residential units and a small management office, and the second and third floors each will have seven residences. One unit will be handicap accessible and one will be equipped for a household with sensory impairment.

“Port Landing will provide high quality apartment homes to hard working families who have been priced out of Cambridge, said Capstone Principal Jason Korb. We are excited that MHIC is partnering with us on this vital community development initiative.”

According to Hope Principal Sean D. Hope, Port Landing’s rents will be 70% less than comparative market rate developments, but the building will maintain the highest standards for its residents.

“The need for affordable rental housing in Cambridge is acute and, in this case, we had a chance not only to add new family housing, but also to help implement a community vision, said MHIC President Joe Flatley.

Other sources of financing include:

- \$4.9 million on bond funding issued by MassDevelopment, with the bonds purchased by Cambridge Trust Company;

- \$2 million from the Massachusetts Department of Housing and Community Development (including a \$500,000 loan from the HOME program, a \$500,000 loan from the Commercial Area Transit Node Housing Program and a \$1,000,000 loan from the Affordable Housing Trust Fund administered by MassHousing);

\$504,466 loan from the City of Cambridge;
\$2,162,934 loan from the Cambridge Affordable Housing Trust Fund for construction;
\$784,861 loan from the Cambridge Affordable Housing Trust for acquisition.

Keith Construction of Stoughton is the contractor and Cambridge-based Prellwitz Chilinski Associates is the architectural firm on the project team.

The \$9 million project broke ground in early August 2015. It will be completed in the summer of 2016.

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MHIC is a private lender and investor specializing in financing the development of healthy communities through innovative debt and equity financing. It was founded in 1990 by a consortium of banks and other corporate investors to fill a critical gap in meeting the credit needs of developers who could not get financing for certain projects from traditional lenders. To date, MHIC has provided more than \$2.21 billion in financing. That financing represents the preservation or creation of nearly 20,000 housing units and 4.2 million square feet of commercial space throughout New England. For more information, see www.mhic.com

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