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Massachusetts Association of Community Development Corporations

Here Today, Here Tomorrow:

CDC Acquisition of Naturally Occurring Affordable Housing

A Report by MACDC

Authored by Don Bianchi and Gracie Theobald-Williams

Massachusetts Association of Community Development Corporations

December 17th, 2025

Dear MACDC Members, Affordable Housing Advocates, and Community Development Practitioners,

We are pleased to provide this report, “Here Today, Here Tomorrow: CDC Acquisition of Naturally Occurring Affordable Housing.”

This report is the culmination of MACDC’s Acquisition Strategies Initiative (ASI). ASI is funded by a generous grant from The Boston Foundation. It is a reflection of the collective knowledge shared by representatives of 30 MACDC Member organizations and other community development practitioners: affordable housing advocates, public policy makers and funders, private and philanthropic supporters, and the wisdom that residents have shared with the grassroots organizations who shared that wisdom with MACDC.

The focus of ASI has been on CDC acquisitions of what is often referred to as “naturally occurring affordable housing,” or “NOAH,” residential rental units in the unregulated private market that currently have some degree of affordability.

The practitioners we engaged have shared their expertise and insights through several platforms:

- An Acquisition Forum, held on May 20th, where a broad array of stakeholders shared their insights and experiences.
- Two peer learning sessions, open to staff and Board of MACDC Member organizations, and consultants supporting their work, including:
  - A discussion on best practices in NOAH acquisitions, on June 23rd.
  - A discussion on public policy to support NOAH acquisitions, on July 23rd.
- Individual conversations, public and private program information, and well-informed insights, shared via phone and email.

MACDC
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This report has been co-authored by Don Bianchi (MACDC's Director of Housing) and Gracie Theobald-Williams (MACDC's Data and Equity Specialist). In framing the issues and establishing the agenda for the Acquisition Forum and the two peer learning sessions, MACDC has relied on the expertise of Suneeth John, who is Fenway Forward's Deputy Director & Head of Real Estate and also the Chair of MACDC's Housing and Real Estate Peer Group and an MACDC Board Member.

We are grateful to Suneeth, to the many practitioners who made presentations and shared their expertise, and to the more than 75 people who have been involved in these discussions.

We hope this report will be an important addition to the existing literature on NOAH acquisitions in MA and can also serve as a guide to CDCs undertaking NOAH acquisitions, to policy makers and funders of this important work, and to anyone interested in preserving these properties as affordable housing and in ensuring their continued affordability over the long term.

If you have any questions, please reach out to Don Bianchi at donb@macdc.org or to me at ehaber@macdc.org.

Best Regards,

Emily Haber

Emily Haber, President & CEO

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Executive Summary

In Massachusetts, community development corporations (CDCs) have long been part of the affordable housing ecosystem, producing and preserving more than 20,000 rental housing units. In recent years, CDCs have taken on the particular challenges associated with acquiring naturally occurring affordable housing—NOAH—affordable units in the unregulated private housing market.

To explore the role of CDC NOAH acquisitions and enhance their chances for success, MACDC undertook its Acquisition Strategies Initiative (ASI), which was comprised of three activities:

- Holding an in-person Acquisition Forum in May 2025 to kick off the work, bringing together the various stakeholders to explore options and establish a framework.
- Hosting two virtual peer learning sessions in June and July, with the first focused on practice and the second focused on policy.
- Writing this report, summarizing the learnings, assessing the different strategies, and offering recommendations for both practice and policy.

This summary highlights the key learnings and findings, which we hope will contribute to the ability of CDCs to continue NOAH acquisitions and scale them up effectively.

In the **Introduction**, we demonstrate the importance of preserving NOAH. We discuss how the causes of lost NOAH vary according to the real estate market context and how the strategies to stem these losses in turn vary. We also highlight the types of CDC strategies that can make NOAH acquisitions successful.

In **Section 1: Property Acquisition Approaches and Market Considerations**, we dig deeper into some of the considerations outlined in the Introduction. We note how the affordability of NOAH is fragile—both relative and only guaranteed for the present moment. We detail the characteristics of hot markets and soft markets and describe the challenges to preserve NOAH in these real estate market contexts.

Section 2: CDC Capacity Needs and Potential for Scaling Up Acquisitions, looks at CDC capacity as an essential ingredient to successful NOAH acquisitions. While Sections 1 and 3 focus on external factors, this section looks at factors within a CDC's control. We cover a description of the internal processes that can foster success, factors related to property management, and how CDCs can scale up NOAH acquisitions.

In **Section 3: Public Policy and Funding Considerations**, we describe the range of financing options available to CDCs for NOAH acquisitions. The descriptions are broken down into:

- Public funding sources that can serve as permanent financing for NOAH properties
- Private financing sources to facilitate NOAH acquisitions by mission-driven developers
- Funding for energy efficiency that may be available to NOAH properties

Finally, in **Section 4: Findings and Recommendations**, we summarize our key findings. We then present 14 recommendations across two categories—Practice and Policy.

We have also included, in the Appendices, ten case studies describing CDC NOAH acquisition efforts, along with the list of all the people who participated in ASI—those who participated in the forum or one or more of the peer learning convenings or who otherwise contributed to this report. We are grateful to everyone who participated in this process and ultimately contributed to this report. We hope that our work accurately captures the collective interest in highlighting the importance of this work, as well as insights into what makes NOAH acquisitions successful.

Introduction

Massachusetts faces a housing supply shortage and a housing affordability crisis.

The high cost of housing is the most common driver of people's displacement from their homes and communities.[1] In Greater Boston, 26% of all renter households are severely cost-burdened, spending more than 50% of their income on rent and utilities.[2] Statewide, 63% of the more than 325,000 extremely low-income renter households (with incomes at or below 30% of AMI) are severely cost-burdened.[3] Efforts have been made to mitigate the housing affordability crisis. Just over one year ago, the Affordable Homes Act was passed, authorizing up to $5 billion in spending on affordable housing programs, subject to annual capital spending by the Healey-Driscoll Administration, with an emphasis on producing new units. However, while we produce new affordable units, we are losing existing affordable homes. From 2012 to 2022, 163,000 low-rent (under $1,400) units were lost in Massachusetts.[4]

This report focuses on what is often referred to as "naturally occurring affordable housing," or "NOAH." We acknowledge that the term NOAH is imprecise and potentially problematic, as housing stock considered to be naturally occurring "may be unsubsidized and affordable for now, but it is also under-maintained and precarious, with eviction and displacement a palpable, everyday threat," according to a 2017 Shelterforce article.[5]

For purposes of this report, we define NOAH as existing rental housing, in the unregulated private market, that currently offers some degree of affordability. Recognizing that, for any given NOAH unit, this degree of affordability is subject to change, preserving their affordability becomes a pressing public policy concern.

Furthermore, NOAH properties are distinct from what is typically referred to as the existing "affordable housing" stock, which are rental units in buildings where development is publicly subsidized, and the rents and tenant incomes are restricted.[6]

[1] "Small Properties Acquisition Fund Brief 2024 Budget," *Greater Boston Community Land Trust Network,* https://static1.squarespace.com/static/5515d04fe4b0263cc20b3984/t/66229539f645cd2152dfd6b3/1713542457053/Small+Properities+Acquis.+Fund+Brief+2024+Budget+%282%29.pdf

[2] "Greater Boston Housing Report Card 2025," The Boston Foundation, accessed December 2025, https://www.tbf.org/-/media/tbf/reports-and-covers/2025/2025-gr-boston-housing-report-card-final-2025.pdf

[3] "Housing Needs by State: Massachusetts," National Low Income Housing Coalition, accessed December 2025, https://nlihc.org/housing-needs-by-state/massachusetts

[4] "Low-Rent Supply Is Shrinking," Harvard Joint Center for Housing Studies, Tabulations of US Census Bureau, American Community Survey 1-Year Estimates, accessed October 2025. https://www.jchs.harvard.edu/arh-2024-low-rent-supply-shrinking

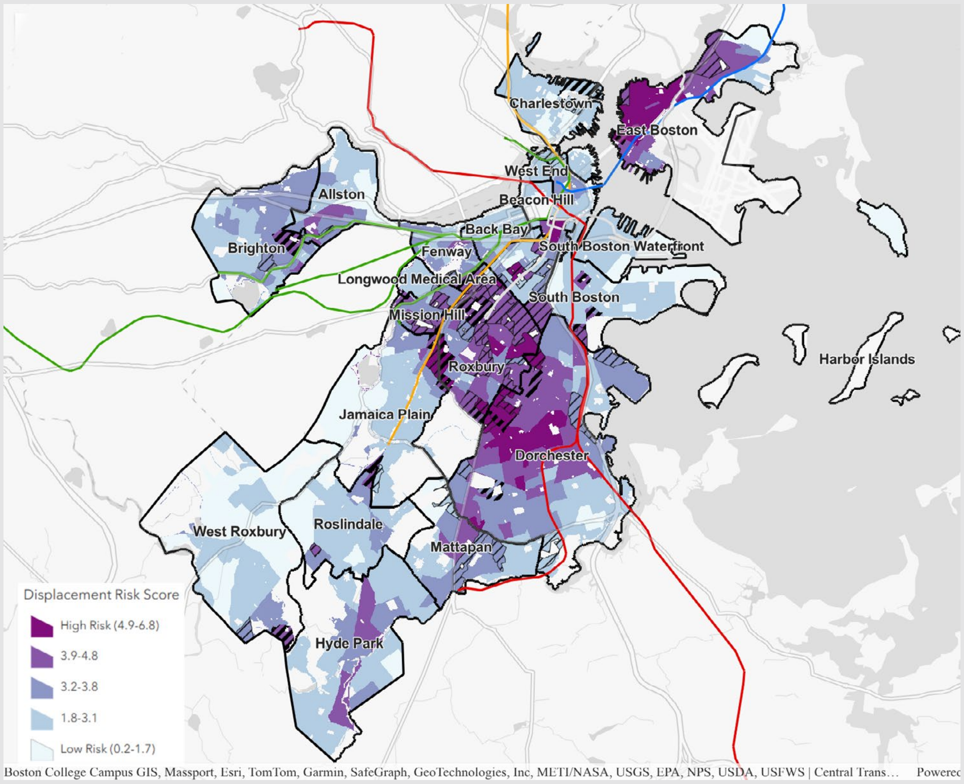
[5] Steve King, "Thoughts on The Unnatural Occurrence of Cheap Housing," *Shelterforce*, April 25, 2017, https://shelterforce.org/2017/04/25/thoughts-unnatural-occurrence-cheap-housing/

[6] Tenants with rental subsidy vouchers can use these vouchers in both affordable subsidized housing and in housing in the unregulated private market.

The causes of lost NOAH units vary according to the relative strength of the real estate market. For purposes of this report, we define a "hot market" as one where rental vacancy rates are low, demand for residential rental units is high, and there are upward pressures on rents, even for rental units that are not well maintained. We define a "soft market" as one where there is lower demand for residential rental units, lower rents, and fewer economic incentives for rental property owners to maintain the units they own in good condition. These market definitions are not absolute—they fall along a continuum and are subject to change over time.

In hot real estate markets, such as most of the City of Boston, investors will pay more for NOAH properties and are more likely to significantly raise rents. According to a recent announcement from the Mayor's Office of Housing, a third of multifamily properties in Mattapan, Dorchester, and Roxbury are being purchased by private investors, which greatly raises the risk of displacement.[7]

Based on the Mayor's Office of Housing 2024 Residential Displacement Risk Map, East Boston, Roxbury, Mission Hill, and Dorchester have the highest displacement risk scores.[8]



[7] "Mayor Wu Announces Affordable Housing Milestone with Acquisition and Restriction of 1,000 At Risk Housing Units," *City of Boston Mayor's Office*, January 7, 2025, https://www.boston.gov/news/mayor-wu-announces-affordable-housing-milestone-acquisition-and-restriction-1000-risk-housing

[8] "Boston Residential Displacement Risk Map," City of Boston Mayor's Office of Housing, launched March 2025, https://experience.arcgis.com/experience/177e64a85f4041d2b4655d7cd1991c56/

Boston's communities of color are disproportionately affected by rent increases. These communities have the highest numbers of eviction executions: Dorchester, Roxbury, and Mattapan combined account for 50% (545) of all executions in Boston in 2023.[9] According to a 2022 analysis from the Mayor's Office of Housing, 58% of all BIPOC renters are rent burdened, compared to only 43% of White renters. In addition, 34% of all BIPOC renters are severely burdened, compared to only 21% of White renters.[10]

While in hot real estate markets rents can rapidly escalate and significantly burden tenants, which can lead to displacement and loss of NOAH, soft real estate markets operate differently. In these markets, NOAH is often lost because the units are no longer physically available or maintained.
As Michael Moriarty from OneHolyoke CDC said,

> ***"Lack of home improvement assistance [i.e. CDBG grants] causes many two-and three-family owner-occupants to take their rental units offline, contributing to the loss of naturally occurring affordable housing."***

The loss of federal Community Development Block Grant (CDBG) grants over time makes it significantly harder for property owners to maintain NOAH units. From 1980 to 2018, Gateway Cities lost more than $100 million annually in federal CDBG grants for neighborhood improvement[11], and now CDBG funding is facing further potential cuts.

In these markets, displacement for tenants living in NOAH can be caused by loss of units due to underinvestment. As property conditions deteriorate, units can become vacant as tenants are displaced due to the unit becoming uninhabitable. In Holyoke 9% of units are vacant.[12] Of those vacant units, 70% are not currently being rented, sold, or set aside for seasonal use or migrant workers—in common parlance, "offline."[13]

[9] "Boston Housing Strategy 2025," *City of Boston Mayor's Office of Housing, Boston Planning and Development Agency, and Boston Housing Authority*, December 2023, https://content.boston.gov/sites/default/files/file/2024/02/Final_Boston%20Housing%20Strategy%202025%20(2)_0.pdf

[10] Amelia Najjar, "Renting in Boston," *Mayor's Office of Housing*, March 30, 2022, https://www.boston.gov/sites/default/files/file/2022/05/Presentation.pdf

[11] Ben Forman and Alan Mallach, "Building Communities of Promise and Possibility," *MassINC Gateway Cities Innovation Institute and MACDC*, January 2019, https://macdc.org/sites/default/files/research/MAINC1-51220%20Building_communities_final.pdf

[12] "Occupancy Status," 2023 American Community Survey 5-Year Estimates Detailed Tables, Table B25002, US Census Bureau, accessed October 2025. https://data.census.gov/table/ACSDT1Y2024.B25002?q=occupancy+status.

[13] "Vacancy Status," 2023 American Community Survey 5-Year Estimates Detailed Tables, Table B25004, US Census Bureau, accessed October 2025. https://data.census.gov/table/ACSDT1Y2024.B25004?q=vacancy+status

While in Boston the vacancy rate is also 9%, of those vacant units, only 25% of those units are offline. Similarly, statewide the vacancy rate is 8%, and 26% of those vacant units are offline. In Holyoke's soft market, lower rents mean property owners are less incentivized to continue to invest in their units. Coupled with a decrease in available home improvement assistance, owners may no longer be able to maintain units and are more likely to take, and keep, their properties offline.

Regardless of market context, the magnitude of the loss of these NOAH units can be significant, and the impacts on people and neighborhoods even more so. To combat these forces, nonprofits, state and local governments, and other entities have taken an interest in acquiring NOAH properties to preserve their level of affordability and prevent displacement of tenants. These efforts are intended to protect the tenants from the actions of current owners or more speculative investors who may, depending on real estate market dynamics, cause displacement by significantly raising rents or outright evicting tenants, or by failing to invest or outright abandoning properties.

While acquisition is an effective way to preserve NOAH and combat the housing affordability crisis, acquiring NOAH is not without challenges. The cost of acquisitions (coupled with the costs of addressing rehabilitation needs) can be many hundreds of thousands of dollars per unit, and CDCs are often competing with speculative investors with easy access to cash or credit and the ability to quickly close. In hot markets, these investors are thus able to offer more attractive terms to sellers. In soft markets, in addition to competing with other investors, a CDC is often racing against time, as the physical deterioration of vacant buildings can progress to a point where the buildings can no longer feasibly be rehabilitated.

Successful CDCs in acquiring NOAH properties must have sufficient internal capacity, particularly around project development and property management. Furthermore, CDCs involved in successful NOAH acquisitions are not operating alone. They are supported by public programs and by public-private funding initiatives. They have established strong relationships with other mission-driven nonprofit organizations. The tenants in NOAH buildings, when organized, can exercise a considerable impact on who acquires their buildings.

This report examines the current landscape for CDC acquisitions of NOAH properties, identifies good practice and policy approaches, and makes recommendations. The sections that follow will synthesize what we have learned about CDC NOAH acquisitions in the hope of advancing these acquisitions. Prior to producing this report, we held a forum and two peer-learning sessions, with one being on practice and one on policy. In total, these three sessions were attended by housing practitioners representing 30 different MACDC Member organizations and many others, some representing other organizations. Appendix B contains the names of all who participated in this process. Based on our learnings from these sessions, the following sections will discuss:

Section 1: Property Acquisition Approaches and Market Considerations

Section 2: CDC Capacity Needs and Potential for Scaling Up Acquisitions

Section 3: Public Policy and Funding Considerations

Section 4: Findings and Recommendations

Interspersed throughout this report, you will find brief “mini case studies” of the efforts of MACDC’s members to acquire NOAH properties—with longer descriptions of these efforts in **Appendix A.** They are intended to show how CDCs committed to preventing displacement creatively approach these potential acquisitions, frequently encountering significant uncertainty and bearing substantial risk. While each potential acquisition has unique aspects and challenges, they all provide broader insights and learnings, which we have incorporated into this report and into the report’s findings and recommendations. We are grateful to these MACDC member organizations for sharing their experiences, so all can benefit.

Section 1: Property Acquisition Approaches and Market Considerations

This report focuses on the work of community development corporations (CDCs) in acquiring properties known as naturally occurring affordable housing—NOAH. In Massachusetts, to be considered a CDC, a nonprofit must receive a state-designated certification, specifying that the organization serves an economically disadvantaged area or constituency, aims to create and expand economic opportunities for low- and moderate-income people, and has a Board of Directors representative of the constituents it serves, among other criteria.

Considerable efforts have been made to produce new affordable subsidized rental housing in Massachusetts. To complement these efforts, we need to preserve existing affordable rental housing. Much of this housing that is currently affordable exists in the unregulated private market. A 2025 study by the Metropolitan Area Planning Council (MAPC) states, "In every region across the Commonwealth, defined by the state's regional planning agency boundaries, at least two-thirds of low-income households (incomes at or below 80% of Area Median Income, or AMI) lack access to an income-restricted unit and rely on the market for housing."[14] Unrestricted private market-rate homes, with rents that are relatively affordable and can therefore be categorized as NOAH, are an essential resource for housing low-income households.

The continued affordability of NOAH is at the property owner's discretion, subject to external factors—such as area market rents and property condition—though notably excluding public-sector restrictions on rent and on the income of the occupant household. Mission-driven housing developers, including CDCs, have been involved in acquiring these NOAH properties precisely because of their *relative* and *moment-in-time* affordable nature.

In Massachusetts, community development corporations (CDCs) have, for more than 50 years, acquired properties and developed affordable housing. In calendar year 2024 alone, CDCs created and preserved 1,095 homes, including the development of 685 units, with 93% of these units reserved for households with incomes at or below 80% of AMI.

[14] "Data Opens Doors: Measuring the Affordable Housing Gap in Massachusetts," Housing Navigator Massachusetts and Metropolitan Area Planning Council, last modified June 20, 2025, https://storymaps.arcgis.com/stories/288e6cedbd714c34b3d253c09f19704e

> **Somerville Community Corporation** has acquired 124 units through its "100 Homes Program," a partnership with the City of Somerville and the Massachusetts Housing Investment Corporation (MHIC), aimed at preventing displacement through acquisition of multifamily rental properties. The 100 Homes Program has been supported by funding from a variety of local sources. **Read more in "Somerville Community Corporation: A Variety of Local Sources" on p. 36 in Appendix A.**

For CDCs, property acquisition is inherently challenging. CDCs often encounter competition from investors who can, in many cases, offer more money and close on a faster timeline, putting a CDC at a competitive disadvantage. In addition, a CDC must assess, typically on an expedited timeline, its own capacity to acquire and hold the property, the condition of the property, the regulatory environment, the funding available, and the financial and operational feasibility of acquiring the property. Furthermore, several CDCs said that there is an unrealistic perception among some sellers that a CDC or other nonprofit purchaser can access whatever public money they need for acquisition, incentivizing the property seller to insist on a high price.

> **Chinatown CLT** is trying to develop an internal robust acquisition/preservation fund, and to date, Chinatown CLT has preserved 13 permanently affordable units in 4 buildings. They have been more successful with acquisitions when, as a result of their community organizing, they identify properties before the properties are listed on the market. **Read more in "Chinatown Community Land Trust: Approaching Sellers Early On" on p. 36 in Appendix A.**

A CDC's approach to acquiring a particular property depends in part on whether the real estate market is a hot market or a soft market, or somewhere in between. These types of markets are defined in the introduction.

NOAH Acquisitions in Hot Markets:

A hot market is characterized by escalating residential rents that can lead to displacement of current tenants in two ways:

- Property owners respond to the market, increasing rents to levels that current tenants cannot afford. In these markets, owners are able to obtain high rents even for rental units that are not in good condition.
- Prospective buyers offer inflated amounts, sometimes more than the list price for the property, in anticipation of raising rents once they acquire the property.

In such markets, as mission-driven purchasers, CDCs are motivated to acquire NOAH properties to prevent rapid rent escalation that can lead to displacement of current residents.

> Thanks to an innovative partnership, **East Boston CDC (EBCDC)** had success when the “Blue Line Portfolio,” made up of 114 scattered-site units, became available. EBCDC teamed up with City Life/Vida Urbana, who had already been organizing against displacement, and with Trust Neighborhoods, a national non-profit formed to help low-income neighborhoods facing displacement raise capital for Mixed-Income Neighborhood Trusts (MINTs). **Read more in “East Boston CDC: Organizing and Partnerships Were Key” on p.37 in Appendix A.**

However, profit-motivated investors approach NOAH purchases with two built-in advantages over CDCs and other mission-driven developers. Because they intend to charge higher rents, they can offer a higher price. Second, they are more likely to be able to offer cash and therefore may be able to close more quickly, which is attractive to property sellers.

Other factors can influence the ability of an investor to move quickly or not. For example, if the existing residents of a building are organized, the investor may anticipate resistance to their ability to raise rents to the level they desire.

Additionally, if a CDC is made aware of acquisition opportunities before a NOAH property becomes more widely advertised, they may be in a better position to negotiate successfully.

In addition, public policies, ranging from funding availability to regulatory policies, such as rent restrictions or just-cause eviction protections, can also change the balance of the equation toward the mission-driven developer.

NOAH Acquisitions in Soft Markets:

A soft real estate market is characterized by lower demand for rental units and owners potentially lacking a financial incentive to adequately maintain their properties. This can lead to displacement in several ways:

- The property is vacant due to significant deterioration, and the owner does not have the necessary funding for—or interest in—improving the property. Where market rents are lower, a property owner may conclude that the attainable rents do not justify investment in the property. A tenant in such a unit becomes displaced by the vacancy.
- Due to the poor condition of nearby properties, rents in the subject property may be lower due to actual or perceived market softening. The resultant drop in rents can create a disincentive for a property owner to invest in property improvements—for the reasons described in the prior bullet point. This can lead to property deterioration and potential vacancy, which can lead to the displacement of the property's tenants.
- Current tenants feel compelled to move to a higher quality but more costly apartment to protect their families from threats to their health as a result of poor property conditions. While the household may no longer suffer from the effects of poor housing quality, poor housing conditions have caused the household to be displaced from an affordable apartment.

> **OneHolyoke CDC** operates in a soft real estate market in Holyoke, where vacancies are high. They describe themselves as being in the "scrounging business," which includes improving existing buildings and acquiring vacant lots. However, acquiring vacant buildings in Holyoke is challenging, even with low acquisition costs. Fortunately, they plan to make use of the new expedited court-appointed receivership process. **Read more in "OneHolyoke CDC: Scrounging for Opportunities" on p.37 in Appendix A.**

In such a market, the acquisition cost for a CDC could be significantly lower. However, a prudent CDC must evaluate both the projected acquisition and rehabilitation costs. In making this evaluation, a CDC must also consider:

- Will the rents, both restricted and market-rate, provide sufficient rental income to allow the CDC to responsibly operate the building, make the necessary repairs, and cover its costs?
- Will the appraised value allow the CDC to borrow the funds it needs to maintain the property's condition?
- If the CDC needs to hold the property for an extended period of time before it can acquire the funds needed to fully rehabilitate the property, will the property's carrying costs during this interim period be prohibitive?

Beyond Real Estate Market Context:

The ability of a CDC to acquire NOAH and have reasonable assurance of longer-term success requires the CDC to have the following:

- Community support for such acquisitions
- The capacity to acquire, manage, and hold the properties acquired
- Adequate funding to acquire the property and address immediate repair needs
- A longer-term financing plan to ensure longer-term financial viability, along with time to undertake the due diligence necessary to determine whether the acquisition is prudent over the longer term
- Supportive public policies at multiple government levels, including funding and regulatory
- The ability to secure private and philanthropic support
- The ability to scale up acquisitions for greater impact and for achieving economies of scale

Subsequent sections of this report will address the above considerations in more detail.

Section 2: CDC Capacity Needs and Potential for Scaling Up Acquisitions

There are many ways for CDCs to ensure they have the capacity to successfully acquire NOAH properties. In this section, we will discuss a myriad of strategies that CDCs can employ to ensure they have strong internal mechanisms, as well as know how to properly employ external tools. We will also discuss how CDCs can effectively scale up their acquisition efforts. This chapter will complement other sections on what external stakeholders and policymakers can do to ensure that NOAH acquisitions are successful.

First, it is important for CDCs to have strong internal mechanisms to aid in NOAH acquisitions. Several CDCs identified the importance of real estate committees with the expertise to guide NOAH acquisitions. The Board of Directors typically works in tandem with the real estate committee to make decisions regarding acquisitions. Therefore, it is important for boards to be supportive of acquisitions as a critical anti-displacement strategy. The Neighborhood Developers (TND) described how their real estate committee, which meets ten times a year, has developed a standard package for seeking approvals from the board, which convenes monthly. Internal mechanisms like these can enable CDCs to move more quickly with respect to acquisitions.

Going through a process to identify community needs prior to seeking to acquire properties is important. One CDC noted that they went through an intensive community process to reimagine real estate development principles as part of their strategic plan to ensure that their development is mission-aligned. Once community needs are identified, these can shape the strategies around acquisitions, enabling CDCs to move more decisively and with greater positive impact on the community.

Beyond a real estate committee and the Board of Directors, there are several other key players in acquisition work, and relationship building is important among all these groups. For example, sound property management, an important component given that NOAH properties have existing residents and may have significant rehabilitation needs, is more likely to address the most pressing needs and earn the trust of tenants.

Similarly, a CDC explained that they've identified a mission-aligned property management company and that it's valuable to hire a local company that can build relationships with tenants.

> **Boston Neighborhood Community Land Trust (BNCLT)** currently owns 11 scattered-site buildings, housing 32 families. Years ago, BNCLT was a key player in successfully advocating for the City of Boston's Acquisition Opportunity Program (AOP), and they were able to utilize AOP to cover between 30% and 50% of the costs of acquisition and modest rehabilitation. BNCLT has also launched the creation of a new Semi-Permanent Loan Pilot, in coordination with the Greater Boston CLT Network, with the aim of creating a 10-year low-interest loan by stacking a CDFI-secured loan with mission-aligned low-interest loans. **Read more in "Boston Neighborhood Community Land Trust: Building Up an Internal Fund" on p.38 in Appendix A.**

Challenges can arise when it comes to finding contractors and vendors for property management. The community land trusts (CLTs) engaging in NOAH acquisitions noted that they are working through the Greater Boston CLT Network to share a database of vendors and contractors. Building relationships among CDCs is equally important, as challenges can be partially alleviated by sharing information within networks.

Resident services are crucial for identifying resident needs, building trust, and improving the lives of residents. TND's Housing Assistance team has developed relationships with both residents and landlords. By building close relationships with tenants, landlords, and property managers, CDCs can ensure that as they work to acquire buildings, tenant needs are met, properties are successfully preserved as affordable, and these buildings are safe places to live.

The Neighborhood Developers (TND) has acquired 91 units in 10 buildings, funded in part by a large hospital grant to capitalize an anti-displacement fund. During the interim period between acquisition and receipt of permanent financing, the units are not deed-restricted, but TND uses this anti-displacement fund to internally subsidize rents. TND approaches rehabilitation needs in phases until they receive permanent financing and can address a building's full rehabilitation needs. **Read more in "The Neighborhood Developers: Addressing Rehab Needs in Phases" on** **p.39** **in Appendix A.**

TND bought three historic buildings in Chelsea, Massachusetts, with the help of the OppCo Housing Accelerator Fund. The properties are being renovated and will be preserved as affordable housing.

CDCs can build their capacity through supporting and collaborating with tenant organizers. Organized tenants can slow down investors who are looking to move quickly to acquire properties. CDCs often align with the interests of tenants, so working together with organizers can be an effective way to preserve NOAH properties.

The relationship between a developer and a seller also plays a key role. Increasing trust and visibility in your region as a buyer can be an effective strategy. A developer who is trusted may get a second look by a seller. Trust can be built by conducting outreach to institutions, including churches and social service agencies. In addition, CDCs can partner with for-profit developers by bringing community and local government relationships to the table.

> **Harborlight Homes** explored the opportunity to acquire seven buildings with 102 apartments in Lynn from one owner, intending to hold the portfolio for 3-5 years and then refinance with the Low-Income Housing Tax Credit (LIHTC) program. However, after investing considerable time and money, they made the difficult but prudent decision to not move forward, based on serious concerns about financial feasibility and the associated risks. They hope the insights gained from this experience will inform future NOAH acquisition opportunities. **Read more in "Harborlight Homes: Systemic Roadblocks" on p.39 in Appendix A.**

While CDCs can build internal mechanisms and relationships to increase their own capacity, there are also ways that CDCs can effectively scale up NOAH acquisitions, and there are several components to consider when scaling up. One CDC practitioner offered several recommendations, which we paraphrase in the remainder of this paragraph. First, learn to be comfortable with scattered sites, as this is a common portfolio type for NOAH properties. Then, figure out at what scale you can most effectively finance and manage a scattered site portfolio. Next, understand the type of housing in your community that is likely to be naturally occurring affordable housing, as it isn't often one large building. In addition, determine whether there are enough likely NOAH properties to do multiple transactions that would result in the efficient scale you want to finance and manage. For example, TND noticed several property owners with buildings or portfolios of 20-45 units, so they set a goal of acquiring 5-7 such properties. Finally, figure out how long it might take to acquire and then achieve the long-term financing solution, and then add a few years. The information shared by CDCs underscores the importance of creating a plan specific to your community, as well as anticipating an extended timeline.

Tenant organizing can be a key part of building scale. Housing Corporation of Arlington (HCA) is trying to scale up acquisitions as an anti-displacement strategy, with tenant organizing being a central component. Through the establishment of a tenant council, tenants feel empowered, which can create an opportunity for a CDC to work with tenants to facilitate two-way communication. This can provide tenants with an opportunity to influence who can successfully acquire their building and provide for more effective property management when a CDC is successful in acquiring the property.

HCA utilized local and state funding, along with financing from the Massachusetts Housing Investment Corporation, to acquire 3 buildings, 2 of which are pictured here.

Housing Corporation of Arlington (HCA) acquired a multifamily property in Arlington, where tenants were organizing against rent increases from the current owners. HCA pulled together multiple sources for the acquisition, including local funding, a loan from MHIC, and a 5-year interest-only seller loan. They plan to refinance the property within 5 years via 4% credits from the Low-Income Housing Tax Credit (LIHTC) Program and scale up these acquisitions as an anti-displacement strategy. **Read more in "Housing Corporation of Arlington: Creatively Securing Funding" on p.40 in Appendix A.**

Part of scaling up is finding creative ways to make things run more efficiently, especially when a CDC acquires scattered-site properties. Keeping a set of books for each property is expensive. For the last three properties TND acquired, which are proximate to each other, ownership is through the same entity with one set of books.

While capacity building and scaling up for CDCs are not without challenges, where these acquisitions are supported by the community and building residents, build upon CDC relationships in the community, and rely on well-established processes, they have a strong chance of success.

Section 3: Public Policy and Funding Considerations

As described in the two prior sections, the practices employed by CDCs, individually and collectively, can have a significant impact on creating the conditions for the success of CDC NOAH acquisitions. While their importance cannot be overstated, if CDCs are to successfully acquire NOAH properties at scale, these practices must be complemented by supportive public policies and public subsidies, along with private and philanthropic support. Just as the development of good practice among CDCs is a work in progress, the public funding infrastructure in Massachusetts, as it currently exists, needs to be meaningfully ramped up.

The City of Boston has been a leader in supporting NOAH acquisitions in Boston, as described below. More recently, the state government has developed a program to support and subsidize NOAH acquisitions (also described below), but the amount of funding to date is not at the level it needs to be to allow CDCs and other mission-driven developers to scale up acquisitions of NOAH to prevent displacement.

> **Neighborhood of Affordable Housing** acquired smaller properties in East Boston to preserve affordability in a market with rapid condominium conversion. They used the City of Boston's Acquisition Opportunity Program (AOP) to purchase 18 properties, which include 53 units. Ultimately, they were not able to obtain the permanent financing they sought and pursued an alternative disposition strategy. **Read more in "Neighborhood of Affordable Housing: Mission First" on p.41 in Appendix A.**

This section describes the funding currently available to support CDCs in acquiring NOAH. Some of these are intended to provide permanent financing, with subsidies, to allow CDCs to acquire and operate NOAH properties as affordable housing for the long term. Others are private and philanthropic sources intended to enable a CDC to acquire a NOAH property and operate the property for a period of time before the necessary permanent financing, including public subsidy, can be secured.

Due to the intense competition for state and local subsidized housing funding, CDCs acquiring NOAH may need to stagger funding for property improvements. Urgent health and safety concerns must be addressed immediately, while a full-scale rehabilitation may need to await receipt of permanent financing, including public subsidies that will stay in the project for the long term to assure long-term affordability to the tenants.

During this interim period, rental income from operations may barely cover operating costs, leaving little to no available funding for property improvements beyond the pressing health and safety needs. As this interim period may last five years or more, there will often be a compelling need for additional property improvements to both improve the tenants' quality of life and contribute to a building's longevity.

CDCs may be able to access acquisition loans from banks and other private sources, which are not described in this section. While the amount and terms of private acquisition funding will vary, as they are all short-term loans, they alone are not sufficient for a successful NOAH acquisition. The sources described below reflect creative approaches by a variety of sources to contribute to successful NOAH acquisitions.

Public Sources That Can Serve as Permanent Financing:

Acquisition Opportunity Program:

The City of Boston's Acquisition Opportunity Program (AOP) seeks to level the playing field between affordable housing developers and private investors in the housing market by providing loans to help responsible investor-owners buy occupied, multi-family rental properties. Through the program, administered by the Mayor's Office of Housing (MOH), developers with the requisite capacity and expertise can pre-qualify for an established amount of funding, enabling these buyers to become more competitive in the real estate market. They must agree to keep rents affordable in perpetuity, to set aside at least half of the units as affordable for low- and moderate-income tenants, including for households with incomes at 60% AMI and 80% AMI, and agree to not evict tenants in good standing. AOP participants have two years to get into compliance with the affordable housing restrictions, with waivers available in some cases.

Selected development teams receive certification from the city for the requested amount of their loan, which can be up to $100,000 per affordable unit (which can be higher at the MOH's discretion). AOP funding is typically supplemented by other sources of funding, often in the form of amortized debt. AOP funding has come from the Neighborhood Housing Trust (NHT), a public charitable trust supported by linkage fees from the development of large-scale commercial projects in Boston. Once prequalified, teams can begin looking for properties. When a pre-qualified developer finds a property, they can make an offer and, once approved by the MOH, move toward closing. Since its launch, the AOP has helped preserve more than 1,350 homes in Boston. It is available on a rolling basis, subject to the availability of funds.

CEDAC and the Small Property Acquisition Fund (SPAF):

The Community Economic Development Assistance Corporation (CEDAC) is a public-private community development financial institution that provides project financing and technical assistance for nonprofit organizations engaged in community development in Massachusetts. CEDAC administers several programs to assist nonprofits developing affordable housing, including early-stage predevelopment loans, acquisition loans, and bridge loans.

CEDAC administers the state's Small Property Acquisition Fund (SPAF) on behalf of the Executive Office of Housing and Livable Communities (EOHLC). The goal of the program is to prevent displacement of low- and moderate-income tenants threatened by rising housing costs and to create long-term affordable rental and ownership housing by facilitating the acquisition of existing small properties by nonprofits. Subject to availability of funding, the program offers eligible nonprofit organizations assistance for the purchase of existing residential properties of 1-8 units (which can be multiple buildings totaling up to 8 units). At least half the units in every project must be restricted and affordable to residents earning at or below 80% AMI, but the remaining units do not have to be income or rent restricted. Properties must meet the minimum standards for health and safety, and the acquisition must include at least one other source of soft financing, such as local HOME or CPA funding or philanthropic support. The funding that SPAF provides is in the form of a 0% deferred payment loan with a term of 30 to 50 years.

With federal American Rescue Plan Act (ARPA) funding obtained by the state, which established a $1 million SPAF Pilot Program, CEDAC issued a Request for Proposals (RFP) in 2024. In April of this year, CEDAC awarded SPAF to three CDCs—the Boston Neighborhood Community Land Trust, Chinatown Community Land Trust, and Dorchester Bay Economic Development Corporation—to collectively acquire 8 units.

Dorchester Bay Economic Development Corporation (DBEDC) acquired a 4-unit building, using funding from the City of Boston's Acquisition Opportunity Program (AOP) and the state's Small Property Acquisition Fund (SPAF.) The proximity of the property to other DBEDC properties and the financially feasible asking price contributed to the success of this acquisition. Prior to this acquisition, DBEDC explored a much larger acquisition but decided not to move forward based on the high acquisition costs and significant anticipated repair costs. **Read more in "Dorchester Bay EDC: Split Decision" on p.42 in Appendix A.**

DBEDC acquired a 4-unit building with funding from Boston's Acquisition Opportunity Program and the State's Small Property Acquisition Fund.

Through two separate bills, the Legislature has authorized the state to borrow up to $20 million in additional funding for SPAF, subject to the Governor's decision to sell bonds to raise money for the program. The availability of additional funding for SPAF awaits inclusion of SPAF in the governor's capital spending plan, which has not yet occurred—so applications for SPAF are not currently being accepted.

CDCs pursuing NOAH acquisitions can apply for a CEDAC acquisition loan. However, these loans are for an initial term of no more than two years, with CEDAC having the ability to extend the loan repayment date by one additional year with a possible interest rate adjustment. Therefore, it is crucial that a CDC applying to CEDAC for an acquisition loan have a feasible plan for repaying the acquisition loan before acquiring the NOAH property.

Private Financing Sources to Facilitate NOAH Acquisitions by Mission-Driven Developers:

MHIC's Regional NOAH Fund:

Massachusetts Housing Investment Corporation's (MHIC's) Regional NOAH Fund aims to preserve and expand affordable housing by providing capital to nonprofits and other socially driven developers. The fund can allow developers to move quickly to acquire properties by offering senior and subordinate debt at a below-market rate for a term of up to 10 years. It can therefore serve as a bridge to a capital subsidy.

Rents and tenant incomes are not regulated. If the developer is unable to secure takeout financing, it can sell the property subject to two conditions:

- Any profit from the sale goes back into the regional fund.
- MHIC has a right of first refusal to acquire the property.

The regional fund is best suited to small multifamily properties of between 5 and 50 units. Over the first 3-5 years, MHIC projects that 1,500 units will be acquired by socially-responsible developers.

Boston Acquisition Fund (BAF):

Philanthropic and other institutions provide impact investments, with the goal of achieving social as well as financial returns. These can be a source of financing for NOAH acquisitions.

An example is The Boston Acquisition Fund (BAF), a public-private revolving loan fund, which offers below-market amortizing debt to nonprofits, community land trusts, and other socially minded developers to acquire tenanted multi-family properties in the City of Boston, with the aim of protecting current residents from displacement and stabilizing communities affected by rising rents and speculative investment pressures. BAF is capitalized by contributions by the City of Boston, several foundations, local hospitals, and the Massachusetts Housing Investment Fund (MHIC).

The Life Initiative:

The Life Initiative (TLI) provides flexible, patient capital from life insurance companies for both pre-development and acquisition across Massachusetts. The $100 million fund provides acquisition, predevelopment, and bridge loans—with a majority of funds dedicated to housing. TLI has made loans to support NOAH acquisitions, with loan terms ranging from 3 to 7 years, with TLI having discretion to extend loans. The loan-to-value can be up to 90%, with interest payments due quarterly. TLI does not impose its own rent or income restrictions.

Because of its mission-focused approach, its extensive engagement with its borrowers, and its flexible lending approach, TLI is an important resource for CDCs considering NOAH acquisitions.

The Property & Casualty Initiative (PCI):

The Property & Casualty Initiative (PCI) was established by a consortium of Massachusetts-based property and casualty insurance companies as a statewide community loan fund. PCI focuses on investing capital and expertise to build community assets, particularly for low-income neighborhoods, communities of color, and other historically marginalized communities. They invest in affordable housing, small businesses, economic development, and community services. Due to their unique structure and origin, PCI has more flexibility than commercial lenders, allowing them to be creative in underwriting and structuring loans. PCI provides acquisition, predevelopment, and bridge loans.

Funding for Energy Efficiency:

As CDCs acquire NOAH, one option to address needed improvements prior to securing permanent financing is to access funding for energy efficiency from whatever sources are available and affordable. Since the availability of energy efficiency funding is subject to many variables, our intent here is to identify several information resources that a CDC can explore.

- A good starting point is a resource from LISC Massachusetts, its Decarbonization Hub. This has extensive information on resources for both decarbonization assessments and for implementing decarbonization. If you have questions about the Decarbonization Hub, you can reach out to Joe De Larauze, LISC Program Officer for Green Homes, at JDeLarauze@lisc.org.
- Massachusetts has utility ratepayer-funded programs for increasing energy efficiency:
  - Owners of 1- to 4-unit properties can access Mass Save programs. A custom home energy report will highlight the rebates and incentives you may qualify for.
  - Owners of buildings with 5 or more units, where at least 50% of the households have incomes at or below 60% of AMI, can be eligible for no-cost energy upgrades under the LEAN Multifamily Program.
- The Massachusetts Clean Energy Center has resources that may be helpful. A good place to start will be the MA CEC's page on "Beta: Roadmaps."
- For properties in the City of Boston, property owners should become familiar with the requirements associated with Building Emissions Reduction and Disclosure (BERDO), which includes information on how to decarbonize your building.

This list is not exhaustive, nor is it static. There may be reasons that some or all of the resources are not suitable for specific CDC NOAH acquisitions. Nonetheless, these sources provide a funding infrastructure to support CDCs in these efforts.

Section 4: Findings and Recommendations

Findings

- The loss of affordable units in the unregulated private housing market (naturally occurring affordable housing—NOAH) in Massachusetts is an important public policy problem that undermines the progress we have made in creating new affordable housing.
- Success in acquiring NOAH properties depends in part on many external factors, including the relative strength of the real estate market; the condition of the properties; the actions of property sellers; the presence of investors; the availability of both short-and long-term financing, including subsidy resources; property management challenges, including addressing important repairs within limited budgets; and other factors.
- CDCs employ a variety of creative approaches to acquiring NOAH properties, managing the properties, and securing funding. CDCs with capacity in these areas are better able to withstand the external challenges, manage NOAH properties during an interim period, identify the full range of financing options, and provide quality housing for residents.
- Supportive external entities, which can be characterized as "NOAH infrastructure," can increase the chances of success. These entities include organized tenants to discourage speculative purchasers, public sector support, supportive and flexible vendors and contractors, and a strong network of relationships with other CDCs and allied organizations.
- While public financing programs—such as the City of Boston's Acquisition Opportunity Program and the state's Small Property Acquisition Fund—have been established, the lack of sufficient public subsidy resources is an impediment to scaling up NOAH acquisitions.
- There are an increasing number of creative financing tools to bridge the period between acquisition and permanent financing. Examples include MHIC's Regional NOAH Fund and acquisition loans from The Life Initiative with terms ranging from 3 to 7 years.

- Beyond financing, there are other public policies that can create the conditions for CDC NOAH acquisitions: for example, passage of legislation providing tenants or community-based organizations with a right of first refusal, rent stabilization legislation, and just cause eviction legislation.
- CDCs and Community Land Trusts (CLTs) have begun to establish their own financing pools for NOAH acquisitions.

Recommendations:

Practice:

1. **CDCs should establish internal systems that will enable them to move quickly on acquisitions:**
    » Undertake a process of identifying community needs and priorities in advance of property acquisitions. Community education and buy-in are essential.
    » Have the CDC Board and Committees establish processes of quick review and approval.
    » Have the CDC Board empower staff with discretion to spend money, within established limits, on early-stage predevelopment to explore initial feasibility.
    » Have conversations with prospective funders at all stages of development—early and often.

2. **Develop an acquisition strategy in advance, particularly if you anticipate needing to acquire a scattered-site portfolio.**
    » Understand the type of housing in your community that is likely to be naturally occurring affordable housing— it may not be one large building.
    » Figure out at what scale you can most effectively finance and manage a scattered site portfolio.
    » Determine whether there is enough NOAH housing available to do multiple transactions that would result in the efficient scale you want to finance and manage.

3. Develop the information to inform your acquisition strategy, including the following:

- Understand the market context for properties you seek to acquire.
- It is important to gain access to the interior of the property and estimate the property's condition and the cost of making needed improvements—so you can accurately evaluate financial feasibility.
- Keeping a set of books for each property is expensive. Explore whether you can acquire ownership of multiple scattered-site properties through the same entity with one set of books.
- Anticipate that timelines may be lengthier than expected.

4. Develop good access to potential property sellers:

- Relationships are key— a trusted developer can sometimes get a second look from a seller. Try to become known as a trusted buyer, with high visibility, in your region.
- It's not just about price— it's also about the perceived risk to the seller. Sellers value certainty as much as dollars.
- Conduct outreach to institutions, including churches and social service agencies, to become known as a trusted buyer.
- There may be opportunities to partner with a for-profit developer, where the CDC brings the community and local government relationships to the table.

5. Before proceeding with an acquisition, conduct the due diligence necessary to be assured that the risks are commensurate with your ability to bear them. Evaluate alternative scenarios for receiving permanent financing and determine if your organization can sustain ownership of the NOAH property even if your initial takeout plans do not come to fruition.

6. Consider forming strategic partnerships with allied organizations to facilitate development and property management. This can include other MACDC Members, nonprofit organizations, and other individuals and organizations. One current example of a strategic partnership is the Greater Boston Community Land Trust Network. Another example could be a joint development venture with another organization.

7. **Consider working with allied organizations to develop an "early warning system" whereby CDCs can become aware of properties before they are broadly advertised as for sale.**

8. **Property management of occupied buildings, particularly if there are several years between acquisition and receipt of permanent financing, is challenging.**
   - If you contract out for property management, consider giving some responsibilities to CDC staff to enable them to develop relationships with residents.
   - Conduct a Capital Needs Assessment (CNA) to come up with a plan for making necessary improvements.
   - Adequate funding for building repairs and rehabilitation is essential. These property improvements may have to proceed in stages, based on funding availability.
   - Collaborate with other CDCs and organizations to compile a list of vendors.

Policy:

9. **Currently, the available public financing with subsidies is not commensurate with the need to achieve scale in the acquisition of NOAH as an important affordable housing preservation strategy.**
   - On the state level, allocate authorized funding for the Small Property Acquisition Fund administered by CEDAC and dedicate capital budget dollars for longer-term financing of larger NOAH acquisitions.
   - While the City of Boston has invested substantial dollars into its Acquisition Opportunity Program, other municipalities should dedicate more available local funding (such as Community Preservation Act funding) to affordable housing preservation strategies, including acquisition of NOAH.
   - The state should take advantage of the recently enacted federal tax and spending bill and the resulting increasing availability of 4% Low Income Housing Tax Credits to prioritize preservation, including NOAH acquisitions.

10. **Massachusetts, as well as municipalities, should enact other policies to facilitate the removal of NOAH properties from the speculative market. These include:**

    » The Tenant Opportunity to Purchase Act (TOPA), which would allow municipalities the local option of providing tenants in multi-family buildings the right to match a third-party offer when their homes are being sold. Tenants can designate their rights to a nonprofit or local housing authority or partner with an affordable housing purchaser.

    » Laws to protect tenants, such as rent stabilization and just cause eviction, to make it more difficult for speculative purchasers to acquire NOAH properties and raise rents beyond an affordable level.

    » The Donation Tax Credit, adopted in 2016, to create or preserve affordable housing by providing a credit against Massachusetts income tax liability for property owners who donate existing housing properties to qualified nonprofits who commit to long-term affordability.

11. **The development of additional mid-term financing (5-7 years or more) can be crucial to successfully bridging the time period between acquisition and receipt of permanent financing with subsidies.**

12. **Project financing sources should pre-qualify CDCs for acquisition financing so that underwriting for specific projects can move more quickly.**

13. **Mission-driven investors, such as philanthropic institutions, can play a larger role. Coordination among mission-driven investors is important. One effective strategy could be helping to capitalize the internal NOAH funds being developed by CDCs and CLTs.**

14. **CDCs represent an important part of the Massachusetts affordable housing delivery system—and play a unique role, given their community governance and mission-driven activities. The state's Community Investment Tax Credit (CITC) already channels private dollars to CDCs. However, the state, municipalities, and private and philanthropic entities should put greater priority on strengthening the capacity of CDCs.**

Appendix A: Case Studies

Somerville Community Corporation: A Variety of Local Sources

Somerville Community Corporation has acquired 124 units through its "100 Homes Program," which is a partnership with the City of Somerville and the Massachusetts Housing Investment Corporation (MHIC), aimed at preventing displacement through acquisition of multifamily rental properties. The 100 Homes Program has been supported by funding from a variety of local sources, including Community Preservation Act (CPA) funds, a housing linkage fee, and HOME funding.[15] SCC has also signed a Community Benefits Agreement with a developer of a project in Somerville, which gives SCC the right to develop up to 140 affordable housing units. One aspect of the program that SCC has found to be challenging is property management. SCC was self-managing their units but was losing money, and they now have transitioned property management functions to Wingate Management Company, lowering the vacancy rate from 23% to 10%. SCC is also trying to acquire another 23 units in two buildings, as they have found that buildings of 10-20 units tend to perform better on the operating side.

Chinatown Community Land Trust: Approaching Sellers Early On

Boston's Chinatown neighborhood faces gentrification and luxury development. The Chinatown CLT is trying to develop an internal robust acquisition/preservation fund, and to date, Chinatown CLT has preserved 13 permanently affordable units in 4 buildings. They have found a key challenge to be convincing property owners not to insist on the maximum price and to consider selling to a nonprofit. Chinatown CLT has been less successful with properties where they are competing with other prospective buyers and more successful when, as a result of their community organizing, they identify properties and approach the sellers first.

[15] "Somerville's 100 Homes Program Accepting Applications for Affordable Housing Waitlist," *City of Somerville*, January 22, 2021, https://www.somervillema.gov/news/somerville%25E2%2580%2599s-100-homes-program-accepting-applications-affordable-housing-waitlist

East Boston CDC: Organizing and Partnerships Were Key

By the 2010s, gentrification and displacement were the biggest concerns in East Boston. While East Boston CDC (EBCDC) was able to acquire some small properties using the City of Boston's Acquisition Opportunity Program, long-term property management and ownership became a financial drain. However, thanks to an innovative partnership, EBCDC had success when the Blue Line Portfolio, made up of 114 scattered-site units, became available. EBCDC teamed up with City Life/Vida Urbana, who had already been organizing against displacement, and with Trust Neighborhoods, a national non-profit formed to help low-income neighborhoods facing displacement raise capital for Mixed-Income Neighborhood Trusts (MINTs). Together, they formed East Boston's first MINT, which helped EBCDC obtain the required equity investment and establish a Trust Stewardship Committee. The project received significant support from large philanthropic organizations, who provided approximately $3 million in PRI (program-related investments) to invest in the bricks and mortar of this affordable housing project. This helped leverage an additional $5 million of private equity from socially motivated investors.

OneHolyoke CDC: Scrounging for Opportunities

OneHolyoke CDC operates in a soft real estate market in Holyoke, where vacancies are high. For over 50 years, the CDC administered a now-defunct CDBG-funded grant program called the Neighborhood Improvement Program, which assisted moderate-income residential homeowners in addressing structural and safety issues in an aging housing stock. The CDC describes itself as being in the "scrounging business," looking for any opportunity to meet the city's affordable housing needs. This approach includes improving existing buildings and acquiring vacant lots, upon which they plan to build homes for first-time homebuyers. Acquiring vacant buildings in Holyoke is challenging for OneHolyoke CDC, as even with low acquisition costs, they have to pay high annual vacant building fees to the city in order to hold the properties. A change in the state's receivership statute (included in the passage of the 2024 Affordable Homes Act) offers a promising tool.

Under the revised statute, a nonprofit can take ownership of abandoned or vacant properties in as-is condition through a revised, expedited court-appointed receivership process. OneHolyoke CDC plans to use this tool to acquire, rehab, and provide first-time homebuyer opportunities.

Boston Neighborhood Community Land Trust: Building Up an Internal Fund

Boston Neighborhood Community Land Trust (BNCLT) currently owns 11 scattered-site buildings, housing 32 families. The City of Boston's Acquisition Opportunity Program, which COHIF (the founding organization that then became BNCLT) participated in organizing to create, has provided 30-50% of the costs of the acquisitions and modest rehabilitation for the most recent 5 purchases (since 2021). For acquisitions, BNCLT has also used below-market interest rate loans from individuals with 5-year terms. In addition, 25 of the 32 families in their properties have rental housing vouchers, 18 of which are City of Boston project-based vouchers, to further stabilize BCNLT's revenue and enable BNCLT to provide deeper affordability. This year, BNCLT completed its first Capital Needs Assessment to get ahead of planning for unmet rehab needs and repairs.

BNCLT has launched a new Semi-Permanent Loan Pilot that will be a model incorporated into the Greater Boston CLT Network's CLT Fund. This pilot stacks a CDFI-secured loan with mission-aligned low-interest loans for a 10-year period, for a blended rate of 3%. It includes a small tranche of unaccredited community investors at a 5% interest. This semi-permanent loan enables BNCLT (and future CLTs who replicate it) to replace its acquisition loan for several of its properties with a more permanent source of financing at a rate that will significantly contribute to the long-term stabilization of these properties. It also reinforces local, non-extractive investment.

They have found scattered-site property management to be challenging, given their small scale. Small-scale and scattered site portfolios with low profit margins are less attractive to property management companies. It requires close management and resourcefulness to identify ways to control expenses and identify the right team of providers who understand the idiosyncrasies of the properties and the value of building strong relationships with the residents.

BNCLT's model relies on resident strength, based on community governance. Many of BNCLT's acquisitions resulted from working with partners like City Life/Vida Urbana and organized tenants who fought hard to stay in their buildings when faced with eviction. These tenants have continued to be some of BNCLT's strongest resident leaders after becoming part of the CLT.

The Neighborhood Developers: Addressing Rehab Needs in Phases

In 2019, The Neighborhood Developers (TND) acquired a 32-unit building in Chelsea, preventing displacement of those tenants. However, the older housing stock in Chelsea, Everett, and Revere consists primarily of triple-deckers and other 2-3 story multifamily building types, so TND knew that it would be hard to purchase similar properties and achieve economies of scale. Nevertheless, TND has still made significant progress; four years into a 10-year plan, TND has been able to acquire 91 units in 10 buildings, funded in part by a large hospital grant, which has helped TND, working with OppCo, to capitalize an anti-displacement fund. After acquiring units, during the interim period before sourcing permanent financing, the units are not deed-restricted, but TND uses this anti-displacement fund to internally subsidize rents. TND generally approaches rehabilitation needs in phases. During this interim period, they address immediate health and safety repair needs and undergo a process to determine rehabilitation needs that cannot wait until TND receives its permanent financing for this portfolio. Once this permanent financing, including public subsidy, is in hand and full redevelopment is underway, TND intends to address the buildings' full rehabilitation needs.

Harborlight Homes: Systemic Roadblocks

Harborlight Homes explored the opportunity to acquire seven buildings with 102 apartments in Lynn from one owner, but after investing considerable time and money, they decided it was not feasible. Because of their decade-long relationship with the properties' owner, Harborlight was given access to inspect the properties, along with the time to develop the capital stack and conduct other due diligence.

Harborlight's plan was to hold the portfolio for three to five years while applying for Low-Income Housing Tax Credits (LIHTC), utilizing interim financing from acquisition lenders and impact investors to acquire and manage the properties in the interim.

There were a number of factors leading to Harborlight's decision to not move forward with the acquisition, despite the CDC's out-of-pocket costs of many tens of thousands of dollars and the considerable staff time invested. These factors included serious doubts about financial feasibility (for both an initial period and long-term); the complexity of needing to access funding from 10 financing partners; concerns that there was less than full community buy-in to even modest increases in some rents that were significantly below published affordable rent levels; and an overall conclusion that Harborlight would have to bear almost all of the risk.

Harborlight knew that their inability to complete the acquisition would likely result in families being displaced when the properties were sold to a less mission-driven entity, and indeed displacement has likely occurred. However, Harborlight ultimately faced too many unknowns, financial risks, and operational roadblocks; the organization's ability to maintain its ongoing mission-driven work had to take priority. Harborlight's insights from this process, which we have incorporated into other sections of this report, will inform future NOAH acquisition efforts.

Housing Corporation of Arlington: Creatively Securing Funding

Housing Corporation of Arlington (HCA) acquired a multifamily property in Arlington, where tenants were organizing against rent increases from the current owners. Initially, HCA ran into challenges, as the property's Net Operating Income (NOI) would not support a loan for the purchase price requested by the seller. However, HCA ended up being able to use proceeds from the sale of another property that sustained a fire—a portion of those proceeds was loaned into this deal to boost NOI, which could then support a larger senior loan from Massachusetts Housing Investment Corporation (MHIC). The NOAH Acquisition Loan via MHIC was crucial as well. MHIC provided a lower-interest senior loan, as well as a very low-interest second loan.

Even with stronger NOI supporting a larger senior loan, HCA still needed additional gap financing to make the deal work. HCA negotiated a 5-year interest-only seller loan and renegotiated the purchase price. They also received significant support from the Town of Arlington, receiving funding from the Town of Arlington's Affordable Housing Trust Fund, as well as locally controlled federal American Rescue Plan Act (ARPA) funds. Additionally, since the project is located in Arlington's MBTA Communities Zoning District, the Town of Arlington was able to apply on behalf of HCA for an Executive Office of Housing and Livable Communities (EOHLC) grant through the MBTA Communities Catalyst Fund, which is intended to catalyze new development. By preserving affordable housing at a site where more housing can be developed, HCA was competitive for additional funding sources targeting new construction.

HCA's plan is to operate the existing property for five years and then refinance through a 4% Low-Income Housing Tax Credit (LIHTC) renovation project in 2030. In general, HCA is trying to scale up acquisitions as an anti-displacement strategy, recognizing that organized tenants may help HCA's acquisition efforts.

Neighborhood of Affordable Housing: Mission First

Neighborhood of Affordable Housing has aimed to acquire smaller properties in a market with rapid condominium conversion in order to prevent displacement of very low- and moderate-income residents. Ultimately though, they found a mismatch between their mission and the financial realities of available funding sources; hence, Neighborhood of Affordable Housing decided to stop buying these NOAH properties five years ago. While in the 1970s, there were perhaps 1,600 vacant units in East Boston, neighborhood dynamics and demographics have completely changed, with vacancies very low and rents soaring. Many young professionals currently residing in East Boston are able to pay more rent than the previous influx of immigrants from dozens of countries, largely in South America.

The peninsular neighborhood of 45,000+ people adjacent to Logan International Airport is comprised mostly of triple-deckers, with many built before 1920.

Using the City of Boston's Acquisition Opportunity Program (AOP), Neighborhood of Affordable Housing purchased 18 properties, which include 53 units. To do so, they borrowed approximately $12 million from three different lenders. They knew the AOP always had a shortfall, so they even deferred 50% of their fee to cover their self-managed portfolio. Rents are not high enough to cover operating expenses, and there are no project-based vouchers. With AOP, they were limited to making only health- and safety-related repairs. They intended to repay lenders in three years; however, there was no preservation take-out program, so lenders continuously and kindly extended their loans. Without the ability to repay or refinance their short-term debt, Neighborhood of Affordable Housing is in forbearance with one very patient lender. They have had to pay operating expenses of approximately $1.4 million in addition to another $850,000 in fees. No lender has lost any of their investments. With significant commitments from both the Mayor's Office of Housing and Executive Office of Housing and Livable Communities, Rockland Trust has recently offered a letter of interest to absorb Neighborhood of Affordable Housing's AOP portfolio, as well as their other 58 units in 17 buildings. A closing is expected by the end of 2025.

Dorchester Bay EDC: Split Decision

Dorchester Bay Economic Development Corporation (DBEDC) signed a letter of intent with the owner of a 111-unit scattered-site housing portfolio in Dorchester, made up primarily of triple-deckers. But, after 9 months of due diligence and negotiations, DBEDC decided not to move forward with the acquisition. The primary reason was that they could not agree on a financially feasible acquisition price with the seller, given the expensive repairs needed. Other factors included a high-interest-rate environment and the difficulty in securing property management for the portfolio.

However, DBEDC did proceed with the acquisition of a 4-unit building, using funding from the City of Boston's Acquisition Opportunity Program (AOP), and they are considering a couple of other small property acquisitions as well. They were able to proceed on this acquisition due to its proximity to other DBEDC properties, which makes the property feasible to self-manage in the short term, and also because the asking price was more financially feasible. In addition to the 4-unit building, the sale included an adjacent lot with developable land.

Nevertheless, this acquisition is not without its challenges, including higher rehabilitation needs than initially anticipated.

DBEDC was one of three CDCs to receive subsidy funding from the state's Small Property Acquisition Fund (SPAF), which they used to acquire the 4-unit building. DBEDC has determined that without additional subsidy to supplement the city's AOP funding, future acquisitions are not feasible.

Appendix B: List of Participants

The following people participated in MACDC's Acquisition Strategies Initiative through one or more of the following activities:

- They attended the Acquisition Forum on May 20th, 2025.
- They attended the virtual peer learning session focused on practice on June 23, 2025.
- They attended the virtual peer learning session focused on policy on July 23, 2025.
- They provided information for this report, verbal or written.

Please note that organizational affiliations are listed for identification purposes only. Some participants participated on behalf of their organizations, but it would not be accurate to assume that all did.

MACDC Member Organizations

ACEDONE	Paris Swindle
Allston Brighton CDC	Arielle Blacklow
Allston Brighton CDC	Tina-Marie Johnson
Allston Brighton CDC	Rylee Rayball
B'nai B'rith Housing	Susan Gittleman
Boston Neighborhood CLT	Meridith Levy
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