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The Massachusetts Housing Finance Agency closes \$26.5 million loan for 236-unit Sherwood Village

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The Massachusetts Housing Finance Agency (MassHousing) has closed a loan for \$26.5 million to preserve affordability for senior citizens at the 236-unit Sherwood Village apartment community.

As a condition of the loan, Fairway Estates Limited Partnership, an affiliate of Cornerstone Corp., which owns Sherwood Village, will seek to extend its federal Section 8 Housing Assistance Payment (HAP) contract and the affordability on 235 apartments for the longest term possible - typically 20 years - when the current HAP contract expires in February 2014.

Sherwood Village, which was built in 1984, has now been refinanced through MassHousing's Section 8 Proactive Preservation Program, which seeks to extend affordability at MassHousing-financed developments where Section 8 HAP contracts are due to expire. MassHousing's original loan matures on June 1st, 2014.

"Sherwood Village is an important source of affordable housing for senior citizens in Natick and this MassHousing financing will ensure it remains affordable for those seniors for the long term," said MassHousing executive director Thomas Gleason.

Located at 145 Mill St. in two, four-story buildings, all 236 apartments at Sherwood Village are one-bedroom units. One apartment is model unit. As part of the refinancing, a number of capital improvements are expected including 504/ADA upgrades, intercom panel system upgrades, refurbishment of pumps connected to common area sprinklers and some minor HVAC work.

MassHousing 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 nearly \$14 billion for affordable housing.

About the MassHousing Section 8 Proactive Preservation Program

The Section 8 Proactive Preservation Program targets a group of affordable rental developments that were originally financed by MassHousing and are eligible to convert to market rates when those mortgages mature. Each of these developments receives a subsidy from HUD that is used to help pay the tenants' rents each month. However, if the mortgage is paid off, there are no more affordability restrictions or any incentives from HUD to keep the properties affordable unless the owner agrees to renew the Section 8 contract. Through this program, MassHousing now provides those incentives.