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MassHousing closes \$1.9 million loan for St. Mathieu's Associates

July 03, 2013 - Front Section

MassHousing recently completed a loan closing of \$1.9 million to preserve affordability for senior citizens at the 30-unit St. Mathieu's Apartments.

St. Mathieu's Associates, the property owner, has extended the federal Section 8 Housing Assistance Payment (HAP) contract and the affordability on all 30 apartments for 20 years after the previous HAP contract expired on June 1st.

St. Mathieu's, a former parochial school built in the 1950s and converted to housing for senior citizens in 1983, was refinanced through MassHousing's Section 8 Proactive Preservation Program, which seeks to extend affordability at MassHousing-financed developments where MassHousing mortgages are due to mature and Section 8 HAP contracts are due to expire. The original MassHousing loan matured on June 1st.

Of the 30 apartments, 28 are one-bedroom units and 2 are two-bedroom units located in a mid-rise masonry building at 221 Wellington St.

As part of the new MassHousing financing, some renovations will be made to the property, including window replacement, elevator repair, accessibility upgrades, masonry repointing, and kitchen renovations.

"Affordable housing is a major concern for our senior citizens and this loan closing will extend affordability at St. Mathieu's Apartments for many years to come," said MassHousing executive director Thomas Gleason.

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.

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 nearly \$14 billion for affordable housing.