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MassHousing closes \$16.4 million in loans for St. Stephen's Tower

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Senior citizens living in the 130-unit St. Stephen's Tower will see major property renovations and affordability extended for the long term there as a result of \$16.4 million in MassHousing loans.

St. Stephen's Tower is being acquired and rehabilitated by an affiliate of St. Stephen's Church and Beacon Communities LLC. Located at 25 Pleasant St., St. Stephen's Tower is comprised of 10 studio apartments, 110 one-bedroom apartments and 10 two-bedroom apartments contained in a 10-story building.

The property was originally financed with a federal Section 236 mortgage loan and a Rental Assistance Payment contract, which were both set to expire in March 2017. St. Stephen's Tower was selected for MassHousing's Pilot Program for Revitalizing Severely Distressed Properties and was eligible to prepay the Section 236 loan.

In financing this transaction, MassHousing in collaboration with Beacon Communities, used an innovative - and first by the Agency - execution where the loan was underwritten with a 17-year term and a 35-year amortization period with servicing based on a declining loan balance. As a result of the MassHousing financing, the property will receive Section 8 Project Based vouchers through the HUD Moving to Work program, which is administered by the Cambridge Housing Authority. This transaction will extend the affordability at St. Stephen's for the next 30 years.

"Being able to complete varied and innovative types of financing allows us to help renovate and extend the affordability at important housing communities like St. Stephen's and for the senior citizens who live there" said MassHousing executive director Thomas Gleason. "We were pleased to work collaboratively with Beacon Communities to make sure this important affordable community remained available to seniors in Lynn for decades to follow."

The property is nearly 40 years old and is in need of significant repairs and renovation to common areas and apartments, repair and replacement of building systems, and increases in energy and water efficiency.

"Beacon Communities and our partner, St. Stephen's Episcopal Church, are pleased that we were able to work with MassHousing, HUD and the Cambridge Housing Authority to develop a financing plan that enabled us to preserve this much needed affordable housing community in the City of Lynn," said Beacon Communities CEO Pamela Goodman.

The contractor will be Keith Construction, Inc., the architect is Bechtel Frank Erickson Architects, Inc. and the management agent is Beacon Residential Management.

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 more than \$17 billion for affordable housing.

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