



nerej

MassHousing closes \$15.19 million in loans for four affordable properties

February 12, 2015 - Financial Digest

MassHousing has closed \$15.19 million in loans for four affordable rental housing communities with 1,695 apartments in Rockland, Southbridge, Ware and Worcester.

The new loans will be used to help pay off (pre-pay) the remaining balances on loans made when the apartment communities were first built in the 1970s under the federal subsidy program known as "Section 236."

MassHousing closed the following loans:

- * \$11.5 million for the 1,213-unit Lincoln Village in Worcester, owned by Carabetta Enterprises of Connecticut. Lincoln Village was built between 1973 and 1975.
- * \$2 million for the 168-unit Brookside Terrace in Southbridge, owned by Advanced Properties, Inc. of Newton. Brookside Terrace was built in 1974 and is located at 11 Village Dr.
- * \$1.2 million for the 204-unit Spring Gate Apartments in Rockland, owned by Connolly and Partners, LLC of Boston. The Spring Gate Apartments were built in 1973 and are located on 10 acres behind the Rockland Plaza Shopping Center.
- * \$490,000 for the 110-unit Highland Village in Ware, owned by Advanced Properties, Inc. Highland Village was built in 1972.

These transactions allow the owners of the apartment communities to participate in a new HUD initiative called the Rental Assistance Demonstration program, or RAD. By participating in RAD, the owners first and foremost are able to continue to provide below-market subsidized rents to their residents.

This is possible because under RAD the apartments will transition from an older and obsolete subsidy program (known as "Rent Supp") to a replacement subsidy known as "Project-Based Vouchers."

The owners have committed to these Project-Based Vouchers for 15 years, meaning tenant rents will remain affordable and below-market for income-eligible residents. The RAD program also increases the income flowing into the properties from the federal subsidies, meaning that the owners will be better positioned to make needed repairs and improvements in the future.

"By assisting these property owners in accessing the RAD program, affordability is going to be extended for low-income residents living in nearly 1,700 affordable apartments," said MassHousing executive director Thomas Gleason. "We will continue to work with the owners on providing additional loans in the future that will result in the significant renovation of these affordable housing communities."

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.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540