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MassHousing provides \$9 million in financing to the nonprofit Newton Community Development Foundation to renovate Houghton Village

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Newton, MA MassHousing has provided \$9 million in financing to the nonprofit Newton Community Development Foundation (NCDF) for the renovation and preservation of 30 affordable housing units at NCDF's Houghton Village community. The MassHousing financing package will enable major renovations at the 50-unit townhouse development and resolve expiring affordability challenges at the property by extending affordability on site and creating 10 new workforce housing units.

MassHousing provided NCDF with a \$7.4 million construction and permanent loan and \$1.3 million from the Agency's Opportunity Fund, which provides financing for MassHousing's Workforce Housing Initiative and the 13A Preservation Initiative.

"With this refinancing, Houghton Village will remain a true mixed-income community that provides safe, stable housing to households of all means," said MassHousing executive director Tim Sullivan. "The Commonwealth's maturing 13A portfolio presents significant affordability challenges and MassHousing is committed to partnering with the Baker-Polito Administration to tackle these challenges and preserve affordability for low- and moderate-income residents."

The Commonwealth's Section 13A program was created by the Massachusetts Legislature in the 1970s to provide low-interest mortgage financing to affordable housing communities. Today, 13A communities serve some of the lowest-income and most vulnerable populations in Massachusetts, including many elderly residents. The mortgages on these 13A housing communities are nearing maturity. In response, MassHousing and the Department of Housing and Community Development (DHCD) have committed a total of \$100 million in capital to help preserve affordable 13A units that otherwise would convert to market rates.

The Houghton Village refinancing transaction resolves the expiring Section 13A rental subsidy on 30 units. Ten expiring units will convert to workforce housing apartments that will be affordable to moderate-income households. The remaining 20 Section 13A units are subsidized by DHCD's Massachusetts Rental Voucher Program. The community's remaining 20 units are rented at market rates.

In addition to preserving affordability, MassHousing's refinancing allowed NCDF to launch a major renovation of Houghton Village, including upgrades to the community's roofing, siding, windows, building systems, and accessibility. The property was last renovated in 2004.

“We have enjoyed our long-term relationship with MassHousing, which goes back several decades,” said NCDF president Bob Engler. “NCDF has benefitted from MassHousing’s financial assistance as well as their technical assistance and we have valued the support of the staff as we have worked together to preserve our affordable housing communities and maintain them at the highest level.”

The refinancing allowed NCDF to pre-pay its existing MassHousing mortgage with a 7.15% interest rate, into a new taxable construction and permanent loan through the Federal Home Loan Bank of Boston, with a 2.7% interest rate.

MassHousing utilized the FHLB Boston’s Helping to House New England program which provides low-cost financing to help create or preserve affordable housing across New England.

“Houghton Village is a prime example of the type of affordable housing our Helping to House New England program is designed to preserve. We launched this program because investing in affordable housing is critical to the economic development of communities throughout New England,” said FHLB Boston president Edward Hjerpe III.

Houghton Village was built in 1977 and is located at 27-80 Hamlet St. It has 17 two-bedroom apartments, 17 three-bedroom apartments and 16 four-bedroom apartments.

MassHousing has financed or manages federal housing subsidies for 12 affordable rental housing communities in Newton totaling 1,298 units and has provided \$22.1 million in home mortgage financing for 122 homeowners in Newton.

In June 1968, 24 priests, ministers and rabbis from the Newton Clergy Association and members of Church Women United met and incorporated the Newton Community Development Foundation to pursue ways for Newton to provide affordable housing to meet the needs of the community. Later that year, the leadership of the Foundation was transferred from the Clergy to a lay board of distinguished Newton citizens. The current Board of Directors and the Advisory Committee represent a cross section of Newton residents and others with multi-faceted interests, resources and expertise, and a deep commitment to the NCDF mission. NCDF provides both affordable and market-rate rental opportunities in Newton to low- and moderate-income families, senior citizens and persons with disabilities. They are a community-based non-profit funded through rental income, private funding and government subsidies.

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 \$20 billion for affordable housing.

