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MassHousing provides \$14.4m to Barkan Cos.

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Fitchburg, MA MassHousing has provided \$14.4 million in affordable housing financing to an affiliate of the Barkan Companies, to extend the affordability of the Fitchburg Green affordable housing community, and make property improvements to the 159-unit property. As a result of the MassHousing financing, affordability protections for lower-income senior citizens and families living at Fitchburg Green will be extended for at least 35 years.

“Fitchburg Green is an important source of affordable housing for lower-income seniors and families and we are pleased that this transaction will not only extend affordability there for at least 35 years but also that the owner will further invest in the community with substantial property improvements,” said MassHousing executive director Chrystal Kornegay.

The Barkan Cos. refinanced Fitchburg Green through MassHousing’s Multifamily Accelerated Processing (MAP)/Ginnie Mae Joint Venture Initiative with lender partner Rockport Mortgage Corp. MassHousing offers the MAP/Ginnie Mae loan program to the owners of rental housing through the U.S. Department of Housing and Urban Development (HUD). HUD provides expedited Federal Housing Administration (FHA) insurance approvals through the MAP program.

“We are proud to partner with MassHousing to preserve and improve the Fitchburg Green Apartments. This property is an important part of our legacy and commitment to developing and managing affordable housing throughout New England,” said Peter Barkan, CEO of Barkan.

The combination of FHA insurance and a Ginnie Mae guarantee enables borrowers to access mortgage financing with lower interest rates, while preserving and extending affordability for hundreds of low-income senior citizens and families. The \$14.4 million refinancing allowed the Barkan Companies to refinance an existing MassHousing loan, with a 6.8-percent interest rate into a new 35-year mortgage with a 3.30-percent interest rate.

“It was our pleasure to work on Fitchburg Green to preserve this 159-unit elderly housing project in Fitchburg. This transaction will ensure the property will be maintained well into the future and preserves affordability for 35 years. This transaction is another great example of the successful Joint Venture program between Rockport Mortgage and MassHousing, which has successfully preserved more than 5,000 affordable housing units across the state of Massachusetts,” said Dan Lyons, President of Rockport Mortgage Corporation.

Built in 1980, Fitchburg Green provides 143 units of affordable housing for senior citizens in an eight-story building consisting of 130 one-bedroom apartments and 13 two-bedroom apartments. Additionally, three two-story townhomes for families contain 14 two-bedroom apartments and two three-bedroom apartments.

Among the property improvements planned for Fitchburg Green are kitchen and bathroom upgrades, repaving parking areas and walkways, new landscaping, site lighting and signage, common area flooring replacement, as well as in-unit accessibility improvements.

MassHousing has financed three rental housing communities in Fitchburg involving 373 housing units and \$37.6 million in original financing. The agency has financed 934 home mortgage loans in Fitchburg totaling \$85.8 million in financing.

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