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MassHousing provides \$42.7 million in affordable housing financing to AHSC to extend affordability

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New Bedford, MA MassHousing has provided \$42.7 million in affordable housing financing to Affordable Housing and Services Collaborative (AHSC) to preserve and extend the affordability for lower-income senior citizens for at least 36 years at the 327-unit Melville Towers.

“Melville Towers has been a longstanding source of quality affordable housing for senior citizens in New Bedford,” said MassHousing executive director Chrystal Kornegay. “We are pleased that this transaction will ensure that these homes will remain affordable to the residents there for at least 36 more years.”

AHSC refinanced Melville Towers 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.

The combination of FHA insurance and a Ginnie Mae guarantee enables borrowers to access taxable mortgage financing with lower interest rates, while preserving and extending affordability for hundreds of low-income senior citizens and families. MassHousing is providing AHSC with a \$42.7 million, 35-year permanent loan.

“It was our pleasure to work on Melville Towers to preserve this 327-unit elderly housing community in New Bedford. This transaction will ensure the property will be maintained well into the future and preserves the Section 8 HAP contract for 36 years. This transaction is another great example of the successful Joint-Venture program between Rockport Mortgage and MassHousing, which has successfully preserved over 5,000 affordable housing units across the state of Massachusetts,” said Dan Lyons, president of Rockport Mortgage Corp.

Located at 850 Pleasant St. in downtown, Melville Towers consists of 285 one-bedroom apartments and 42 two-bedroom apartments, of which 319 units are subsidized by a federal Section 8 Housing Assistance Payment contract and 7 units are restricted to households earning at or below 50% of the Area Median Income. One unit is occupied by a property manager.

As part of the transaction AHSC will extend the Section 8 HAP contract ensuring affordability for at least 36 years.

“I am very thankful for the hard work and commitment of MassHousing, Rockport Mortgage and Peabody Properties to recapitalize Melville Towers and extend the affordability for its senior residents,” said AHSC executive director Michael Mattos.

MassHousing has financed eight rental housing communities in New Bedford involving 1,734 housing units and \$143.2 million in original financing. The agency has financed 1,941 home mortgage loans in New Bedford totaling \$207.9 million in financing.

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