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MassHousing provides \$9.9 million in financing for Colonial Village

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Weymouth, MA MassHousing has closed on \$9.9 million in affordable housing financing to an affiliate of Pennant Housing Group for the acquisition, renovation and preservation of the 89-unit Colonial Village Apartments. The transaction resolves an expired long-term affordability restriction and preserves affordability at the 89-unit property, which is home to low-income senior citizens, for at least 15 years.

“MassHousing was pleased to be a partner in a transaction that will ensure senior citizens living at Colonial Village will continue to pay rents they can afford, and remain in their homes,” said MassHousing executive director Chrystal Kornegay. “The property’s new owner was not only committed to preserving and extending the affordability at Colonial Village, but also to making property renovations that will improve the comfort and safety of the residents.”

MassHousing is supporting the transaction with \$9.9 million in tax exempt obligations through the Agency’s Conduit Loan Program. The proceeds will be used to fund both construction and permanent loans in partnership with Greystone Servicing Company LLC. The MassHousing

financing also generated \$3.7 million in federal Low-Income Housing Tax Credit equity financing.

The Massachusetts Department of Housing and Community Development (DHCD) supported the preservation of Colonial Village by providing \$6.3 million in capital improvement financing. MassHousing also provided the Pennant Housing Group with \$945,361 in Section 13A tenant protection funds.

“Pennant Housing Group is thrilled to collaborate with MassHousing and DHCD to preserve Colonial Village Apartments. Through our efforts and the private capital resources provided by our equity and financing partners, we are able to preserve this community for the low-income elderly individuals of Weymouth from both a physical and affordability standpoint. We look forward to continued collaboration with MassHousing and DHCD on future projects,” said Andrew Agetstein of Pennant Housing Group.

The financing from MassHousing and DHCD resolves the expired Section 13A rental subsidy at Colonial Village and prevents the property from potentially converting to market-rate rents. 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 Mass., including many elderly residents. The mortgages on these 13A housing communities are nearing or have reached maturity. In response, MassHousing and DHCD have committed a total of \$100 million in capital to help preserve affordable 13A units that otherwise would convert to market rates. The Colonial Village refinancing transaction resolves the expiring Section 13A rental subsidy on all 89 units at the property.

Located near the Greenbush Commuter Rail line and the Tufts Library, the 89 units at Colonial Village are contained in one mid-rise building and consist of 82 one-bedroom apartments and seven two-bedroom apartments.

Based on existing residents’ incomes, 79 of the 89 apartments will be restricted to households with incomes at or below 60% of the area median income (AMI), with nine of those units being further restricted to households earning at or below 30% of AMI.

In addition, 23 of the units will be supported by a Massachusetts Rental Voucher Program rental subsidy contract. The AMI for Weymouth is \$113,300 for a household of four.

Property improvements will include kitchen and bathroom upgrades, safety systems upgrades and water infiltration repairs.

The general contractor is NEI General Contracting. The architect is Kaas Wilson Architects and the management agent is Arco Multifamily Management.

MassHousing has financed two rental housing communities in Weymouth totaling 393 units of housing with an overall original loan amount of \$29 million and the Agency has also provided home

mortgage loans to 1,122 homebuyers and homeowners in Weymouth with an original purchase principal balance of \$169.2 million.

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