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MassHousing commits \$12.2m to preserve affordable housing

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MassHousing has made loan commitments of up to \$6.8 million to preserve affordability at Joseph's House in Fitchburg and up to \$5.4 million to preserve affordability at St. Michael's House in Northampton. O'Connell Senior Living LLC of Holyoke and SHPMa LLC, the owners of the apartment communities for low-income families, will seek to extend Section 8 contracts at Joseph's House and St. Michael's House for the longest terms possible.

Both apartment communities are being refinanced through MassHousing's Section 8 Proactive Preservation Program, which seeks to extend affordability at developments where Section 8 Housing Assistance Payment (HAP) contracts are due to expire.

The HAP contract at Joseph's House expires on April 30, 2013, and the HAP contract at St. Michael's House expires on May 4, 2012.

The owners will commit to requesting the renewal of the HUD Section 8 HAP contracts for the longest term possible - currently 20 years - during the term of the new MassHousing loans. The borrower will also agree to reserve 20% of the apartments at Joseph's House (28 units) and St. Michael's House (18 units), for low-income residents as long as the MassHousing loans are outstanding, which could be as long as 40 years.

"We are very pleased that these MassHousing's loan commitments will preserve quality affordable housing for low-income residents in Fitchburg and Northampton," said MassHousing executive director Thomas Gleason.

Joseph's House consists of two buildings, one five-story and the other seven-story, located at 279 Daniels St., in Fitchburg. The five-story building was originally a convent and converted to apartments in 1982 when the seven-story building was constructed.

St. Michael's House is an 86-apartment complex in five buildings located on State and Stoddard Sts. in Northampton. The main building on State St. contains 80 apartments in a brick building originally built as a parochial school in 1910 and redeveloped into rental housing in 1982. The Stoddard St. portion of the property contains two ranch-style single-family buildings and two duplex-style buildings built in 1982. "We look forward to continue working with MassHousing and preserving affordable housing in both Fitchburg and Northampton," said Joanne Beauregard of O'Connell Senior Living.

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