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## Senior Housing Complex in Dorchester will Remain Affordable for Long Term

### *MassHousing's \$6.7 million loan to building's owner has terms that will preserve affordable rents for residents*

BOSTON – May 29, 2012 –The Dorchester House Apartments (a.k.a. The James Kelly House Apartments), a 91-unit apartment complex for Dorchester Seniors will continue to provide affordable rents well into the future thanks to a new loan from MassHousing, the state's affordable housing bank.

The building's original subsidized 30-year mortgage was set to be paid off in June 2013. When such loans are paid off, affordability restrictions usually end and owners may explore the possibility of converting a property to market rents. As an alternative, owners can refinance with MassHousing and in the process re-commit to providing affordable rents for many more years.

"Because of our public mission to create and preserve affordable housing, we can offer loans to the owners that have favorable terms that they could not find with a conventional lender," said MassHousing's Executive Director Thomas R. Gleason. "There are many apartment buildings in and around Boston with affordability restrictions that could end soon, and we've worked hard to make it easy for them to refinance with us and continue to offer affordable rents."

Dorchester Housing Associates, an affiliate of EAF Associates, Inc., which owns the property, has closed a new 40-year loan of \$6.7 million from MassHousing. A key condition of the new loan requires the owners to work through the U.S. Department of Housing and Urban Development to extend the existing federal Section 8 Housing Assistance Payment (HAP) contract for the longest term possible - typically 20 years - when the current HAP contract expires in May 2013. The Section 8 subsidies ensure that the rents remain below market.

The Dorchester Housing Apartments were refinanced through MassHousing's Section 8 Proactive Preservation Program, which seeks to extend affordability at MassHousing-financed developments where Section 8 HAP contracts are due to expire.

"The Dorchester Housing Apartments are an important affordable housing resource for senior citizens in Dorchester and now that affordability will be extended for the long term," said Gleason.

Of the 90 units occupied by senior citizens, 81 are one-bedroom apartments and 9 are two-bedroom apartments. The Dorchester Housing Apartments were originally built in 1982 with MassHousing financing. The development is located at 10 Ellet St. in Dorchester in a single structure with one four-story wing and one seven-story wing. As part of the refinancing, a number of capital improvements are planned.

*Note to editors: Photos are available. Please email Tom Farmer at [tfarmer@masshousing.com](mailto:tfarmer@masshousing.com).*

***About the MassHousing Section 8 Proactive Preservation Program***

The Section 8 Proactive Preservation Program targets a group of affordable rental developments that were originally financed by MassHousing and are eligible to convert to market rates when those mortgages mature. Each of these developments receives a subsidy from HUD that is used to help pay the tenants' rents each month. However, if the mortgage is paid off, there are no more affordability restrictions or any incentives from HUD to keep the properties affordable unless the owner agrees to renew the Section 8 contract. Through this program, MassHousing now provides those incentives.

***About MassHousing***

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 \$13 billion for affordable housing. For more information, visit the MassHousing website at [www.masshousing.com](http://www.masshousing.com), follow us on Twitter [@MassHousing](https://twitter.com/MassHousing), subscribe to [our blog](#) and [Like us](#) on Facebook.

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