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## Senior Housing Community in Somerville will Remain Affordable for Long Term

### *MassHousing's \$10.1 million loan will preserve affordable rents for elderly residents at the 130-unit BF Faulkner Tower*

BOSTON – July 9, 2012 – MassHousing announced a \$10.1 million loan closing today that will preserve the affordability at BF Faulkner Tower in Somerville, a 130-apartment affordable housing community for senior citizens.

BF Faulkner Tower is an 11-story building constructed in 1978 containing 110 one-bedroom apartments and 20 two-bedroom apartments located at 25 Highland Ave. in Somerville.

The building's original subsidized 40-year mortgage was set to be paid off in March 2017. 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.

"BF Faulkner Tower is one of many affordable housing communities with affordability restrictions that could end within the next few years," said MassHousing Executive Director Thomas R. Gleason. "MassHousing has worked hard to make it easy for owners of these properties to refinance with us and continue to offer affordable rents."

Walnut Hill Tower Associates, which owns the property, has closed a new 40-year loan of \$10.1 million from MassHousing. A key condition of the new loan requires the BF Faulkner Tower 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 on 129 of the apartments there for the longest term possible - typically 20 years - when the current HAP contract expires in June 2018. The Section 8 subsidies ensure that the rents remain below market.

BF Faulkner Tower was 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.

#### ***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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