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Essex Towers in Lawrence Will Continue as Affordable Housing for Seniors

Owner refinances with \$15.8 million under MassHousing program that provides owners of multi-family housing with incentives to keep properties affordable

BOSTON – February 2, 2017 – Senior citizens living at the 198-unit Essex Towers in the Gateway City of Lawrence will have affordable rents extended through 2036 and see some moderate property improvements as a result of \$15.8 million in MassHousing financing.

An affiliate of APT Asset Management, Inc., which owns Essex Towers, refinanced the property through MassHousing's [Multifamily Accelerated Processing](#) (MAP)/Ginnie Mae Joint Venture Initiative with partner lender [Rockport Mortgage Corporation](#).

As a condition of the MassHousing financing, the owner extended the federal Section 8 Housing Assistance Payment Contract on all 198 apartments at Essex Towers for 20 years beyond the current maturity of 2018, extending affordability through 2038.

"It is important to have local support for affordable housing and Mayor Rivera and the Lawrence community were important partners in ensuring that the senior citizens living at Essex Towers will continue to have affordable rents for at least another 20 years," said **MassHousing Executive Director Timothy C. Sullivan**. "We're pleased that Mayor Rivera is a member of MassHousing's Multifamily Advisory Committee and will lend his expertise in creating more housing opportunities for the citizens of Lawrence."

Among the improvements slated for the property are boiler and hot water tank replacement and elevator refurbishment and modernization.

There is a strong need for affordable housing in Lawrence, where U.S. Census data reported that 78.8% of households in the city earn less than the area median income (AMI) of \$84,100 and 51.1% earn less than 60% AMI.

There are more than 2,100 Lawrence residents on the waiting list for 1,056 federally assisted housing units and approximately 3,000 residents on the waiting list for 522 state-assisted housing units managed by the Lawrence Housing Authority.

"Now more than ever, we need to ensure that our seniors, who are one of our most vulnerable populations, are granted the same opportunities for housing that all of our residents have," said **Mayor**

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Daniel Rivera. “I want to thank MassHousing for their unwavering support in making sure our seniors who reside at Essex Towers are not worried about being able to afford their apartments.”

The Essex Towers were built in 1979 and originally financed by MassHousing. The 198 one-bedroom apartments are contained in two nine-story buildings at 18 Franklin St. and 45 Broadway in downtown Lawrence.

MassHousing has financed or oversees 16 rental communities in Lawrence involving 1,965 units of housing. The Agency has also made 1,315 home mortgage loans in the city involving \$117.2 million in financing.

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). The program provides lower interest rates and a faster review process while preserving and extending affordability for hundreds of low-income senior citizens and families.

As a result of the taxable refinancing, the owner of Essex Towers reduced the interest rate on the loan by more than half from 7.80% to 3.05%. The use of taxable financing also eliminates the need to use Private Activity Volume Cap, which is a scarce public financing resource.

“On behalf of the ownership we are pleased to extend our commitment to affordable housing and the residents of Essex Towers. Working together with MassHousing and Rockport Mortgage provided for excellent execution of financing for the preservation of this vulnerable Lawrence community asset,” said **Jeff Ewing, President of APT Management Group, Inc.**

MassHousing to date has closed 16 loans involving more than \$328 million in financing through the MAP/Ginnie Mae program.

“Rockport was pleased to have the opportunity to work with the owner, APT Management, Inc., and MassHousing to complete the refinancing of Essex Towers and to preserve this important affordable asset in the City of Lawrence,” said **Rob Milanette of Rockport Mortgage Corporation.** “The refinancing provided funding for important upgrades to the property and fully funded reserves, while locking in long-term, 35-year financing for the property at today’s low rates.”

About MassHousing’s MAP/Ginnie Mae Initiative

MassHousing has partnered with two well-known and experienced MAP lenders: CBRE and Rockport Mortgage Corporation. The MAP lender prepares the submission of each transaction for HUD’s approval. MassHousing then closes the new loan and issues a Ginnie Mae Mortgage Backed Security (MBS), which has consistently provided the multifamily mortgage industry its most competitive long term, taxable interest rates.

With each MAP/Ginnie Mae loan, MassHousing continues as the mortgagee of record and becomes a Ginnie Mae servicer. This ensures affordability, as each completed transaction will require the property owner to rent at least 20% of the units to those earning less than 80% of the area median income. Affordability at many properties could be at risk were MassHousing unable to offer this product, as owners could refinance with other lenders who do not require affordability restrictions.

About APT Asset Management, Inc.

APT Asset Management, Inc. is a wholly owned subsidiary of Apt Management Group, Inc. and together with its sister companies have provided multifamily real estate development and property management services since 1977. Located in Woburn, their team is committed to the management and preservation of affordable housing.

About Rockport Mortgage Corporation

Rockport Mortgage Corporation is a privately owned commercial mortgage banking firm founded in 1992 and located on the North Shore of Boston. Rockport specializes in providing FHA-insured loans to market-rate, affordable and senior housing communities and healthcare facilities through the Department of Housing and Urban Development (HUD) and has been approved under HUD's Multifamily Accelerated Processing (MAP) Program since the program inception in 2001. The Rockport team works collectively to navigate the complexities of FHA/HUD-insured finance programs, developing strategic solutions to meet the needs of our clients. For more information about Rockport Mortgage Corporation please visit www.rockportmortgage.com.

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 \$20 billion for affordable housing. For more information, visit the MassHousing website at www.masshousing.com, follow us on Twitter [@MassHousing](https://twitter.com/MassHousing), subscribe to [our blog](#), [watch us](#) on YouTube and [Like us](#) on Facebook.

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