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MassHousing Announces Loan Commitments of up to \$12.8 Million for the Redevelopment and Rehabilitation of United Front Homes in New Bedford

Distressed housing development will be redeveloped and reconfigured in two phases

BOSTON – November 24, 2008 – MassHousing announced loan commitments today of up to \$12.8 million for Phase I and Phase II of the redevelopment and reconfiguration of the severely distressed United Front Homes housing development in New Bedford.

Developed in 1967 with federal funding, United Front Homes will be reduced in density from 200 existing apartments to 173 apartments. In addition, the property will be reconfigured to reintroduce the surrounding street pattern to allow better access to the development, improve safety and reduce crime. The redevelopment plan also calls for the demolition of 62 existing apartments, the construction of 35 new units and full renovation and reconfiguration of the remaining 138 units.

"United Front Homes is in need of a complete transformation," said MassHousing Executive Director Thomas R. Gleason. "The planning and design process from more than 40 years ago resulted in a development that had buildings with no direct connection to surrounding streets and the surrounding neighborhood. This left residents vulnerable to poor security and crime, and public safety officials frustrated with difficult access to the property. MassHousing is very pleased to be a partner in redeveloping the United Front Homes into a valuable and modern affordable housing asset for its residents and the city of New Bedford," added Gleason.

"The \$1.3 billion Housing Bond Bill that passed this session contained vital components that will help those who are most vulnerable," said Sen. Mark Montigny of New Bedford, a leader in affordable housing policy, original co-sponsor of the Affordable Housing Trust Fund, and chairman of the State Bonding Committee. "In these challenging times, it is essential that such critical neighborhood revitalization initiatives, like the United Front Homes, move forward through a transparent process. The United Front Homes project will reconnect the neighborhood and strengthen the community as a whole."

New Bedford Mayor Scott W. Lang said the rehabilitation of United Front Homes will have a dramatic, positive impact at the neighborhood level.

"United Front Homes will become a neighborhood once again, and will be melded into the many neighborhoods that make up the fabric of our community," said Mayor Lang. "The quality of life and the safety of our families who live in United Front Homes will be greatly enhanced as a result of this vitally important project."

Preservation of Affordable Housing (POAH), with assistance from United Front Development Corporation (UFDC), is leading the acquisition and redevelopment of United Front Homes.

Phase I of the project involves MassHousing permanent loan commitments of up to \$1.3 million and the redevelopment of 58 of the proposed 173 apartments. Other funding sources for Phase I include \$1 million from the Affordable Housing Trust Fund, which is jointly managed by MassHousing and the Department of Housing and

Community Development (DHCD), \$9.3 million in equity from the sale of Low Income Housing Tax Credits, and \$400,000 in state Capital Improvement Preservation Funds.

MassHousing financing for Phase II of the project involves a Low Income Housing Tax Credit bridge loan up to \$9 million, a permanent loan of up to \$2.6 million, and \$1 million from the Priority Development Fund, to redevelop 115 of the proposed 173 apartments. Other financing includes \$1 million from the Affordable Housing Trust Fund, \$3.5 million in state Capital Improvement Preservation Funds, \$2 million in state Housing Stabilization Funds, \$12 million in equity from the sale of Low Income Housing Tax Credits, and \$250,000 in HOME funds from the city of New Bedford.

The contractor will be Keith Construction of Stoughton. The management agent will be MB Management Company of Braintree and the architects are ICON Architecture of Boston and Guzman Prufer, Inc. of Sherborn.

About Preservation of Affordable Housing

Founded in 2001, POAH is a national nonprofit organization with a mission to acquire, rehabilitate and manage subsidized housing developments, particularly "at risk" properties. POAH currently owns 3,450 subsidized units in Massachusetts, Kansas, Missouri, Illinois, Michigan, Maryland, Connecticut, Rhode Island and Washington, D.C.

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 \$5.6 billion for rental housing and more than \$4.8 billion for homeownership. For more information, visit the MassHousing website at www.masshousing.com.

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