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**MassHousing Preserves Affordable Housing in Fitchburg and Northampton**  
*Owners of 140-unit Joseph's House in Fitchburg and 86-unit St. Michael's House in Northampton will seek to extend affordability for longest terms possible*

BOSTON – August 5, 2009 – MassHousing announced loan commitments today 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 percent 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 R. 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 Streets in Northampton. The main building on State Street contains 80 apartments in a brick building originally built as a parochial school in 1910 and redeveloped into rental housing in 1982. The Stoddard Street 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.

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

The Section 8 Proactive Preservation Program targets a group of 71 affordable rental developments that were originally financed by MassHousing and are eligible to convert to market rate between 2009 and 2013. 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 \$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](http://www.masshousing.com).

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