

MassHousing Financed \$14.3M Preservation of Affordable Housing in Fenway

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MassHousing provided \$14.3 million in financing to the nonprofit Fenway Community Development Corp., for the renovation and preservation of 52 affordable housing units at the Fenway CDC's Burbank Gardens community. The MassHousing financing package will enable major renovations at the four-story development, and will resolve expiring affordability challenges at the property by extending affordability in perpetuity.

Twenty-eight of the 52 units preserved at Burbank Gardens were originally financed under the state's Section 13A housing affordability program, making them high preservation risks.

"With this refinancing, Burbank Gardens will remain a true mixed-income community, preserving a critical housing affordability resource in Boston," MassHousing Acting Executive Director Tom Lyons said in a statement. "The scope of Massachusetts's 13A preservation challenge is significant, with roughly 2,800 affordable units set to lose their affordability protections over the next three years, and no federal resources available for their preservation."

The Commonwealth's Section 13A program was created by the Massachusetts Legislature in the 1970s to provide low-interest mortgage financing to affordable housing communities. Today, 13A communities serve some of the lowest-income and most vulnerable populations in Massachusetts, including many elderly residents. The mortgages on these 13A housing communities are nearing maturity. In response, MassHousing and the Department of Housing and Community Development (DHCD) have committed a total of \$100 million in capital to help preserve affordable 13A units that otherwise would convert to market rates.

The Burbank Gardens refinancing transaction resolves the expiring Section 13A rental subsidy on 28 of the 52 affordable units. Thirteen currently unrestricted units will convert to workforce housing apartments that will be affordable to moderate-income households earning up to \$93,100 a year for

a family of four. The remaining 39 units will be for low-income households earning between \$31,000 and \$62,040 a year for a family of four.

Fenway CDC acquired and preserved Burbank Gardens under Chapter 40T, a state law designed to help prevent affordable housing from being sold and converted to market-rate rents. DHCD administers Chapter 40T.

Burbank Gardens is located at 31 Burbank St. in Boston and has 28 studio units, 22 one-bedroom apartments and two two-bedroom apartments in a 4-story, brick building.