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November 4, 2011

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Mercy Loan Fund and POAH partner to preserve affordable senior housing in Connecticut

Low-interest social impact loan will assist in preserving long-term affordability

Preservation of Affordable Housing (POAH) and Mercy Loan Fund (MLF) have partnered together to preserve Tarringford West Apartments, a 79-unit affordable housing development for the elderly in Torrington, Conn. A \$2.9 million loan from MLF will allow POAH to maintain the physical asset of the property and ensure the long-term affordability and viability of the property for the future.

POAH is based in Boston and was created in 2001 to do exactly what its name suggests, preserve affordable housing stock. POAH is dedicated to the acquisition, long-term ownership, and operation of existing affordable housing properties. Mercy Loan Fund, a subsidiary of the national affordable housing organization Mercy Housing, provides financing to hundreds of local nonprofit organizations, enabling them to build or preserve affordable housing in their communities.

“This financing represents an important collaboration between two preservation-minded nonprofits,” said Julie Gould, president of the Mercy Loan Fund. “Sound business opportunities do not always fit established molds. That’s why Mercy Loan Fund is so proud to be able to provide flexible financing to organizations like POAH. Doing so enables us to fulfill our commitment to supporting and improving communities and helping to preserve much-needed housing that otherwise would not be eligible for financing.”

The financing for Tarringford West Apartments provides low-cost socially motivated capital for economically strong affordable housing projects that, due to their regulatory structures, do not fit the collateral standards of typical financing providers.

“The financial tools available to an owner of affordable housing wishing to preserve its property as affordable are limited,” said Amy Anthony, president of POAH. “Double bottom-line lenders such as Mercy Loan Fund, with missions similar to our own, understand the affordable housing business. As a result they can provide a capital source with favorable terms – which benefits us, the residents, the community and the state.

“Tarringford West Apartments were created with significant public funding and these represent irreplaceable existing investments. This is a great example of how state government can encourage a socially-motivated capital provider to join the effort to create much needed affordable housing,” said Anthony.

Built in 1983, Tarringford West Apartments is an attractive, well-maintained residence located in residential neighborhood. POAH purchased Tarringford West Apartments in 2005. Had POAH not purchased the property, its owners might well have decided to opt out of affordability programs when the mortgage matured, converting the property to market rate rent unaffordable to fixed-

income seniors. The property has historically maintained a two-year waiting list of income-eligible seniors. Most of the residents survive on income from Social Security pension checks or other small monthly revenue amounts, with an average income of \$16,008.

Torrington West Apartments also features resident services to ensure that the residents are able to maintain their housing stability, build on their financial, social and emotional assets, and have the opportunity to be contributing members and leaders in their neighborhood and community. Residents are connected with the community supportive services they need to continue to live safely and independently in their apartments.

About Preservation of Affordable Housing (POAH)

Preservation of Affordable Housing, based in Boston, is a mission-driven, entrepreneurial nonprofit committed to preserving affordable housing resources throughout the United States. POAH acquires, preserves and stewards these resources with creative financial restructurings, physical rehabilitation or redevelopment and long-term management. POAH owns close to 6,800 apartments in nine states and the District of Columbia, serving the working poor, families, individuals, and seniors. For more information about POAH, please visit www.poah.org.

About Mercy Loan Fund

Mercy Loan Fund, a subsidiary of the national affordable housing organization Mercy Housing, provides financing to hundreds of local nonprofit organizations, enabling them to build or preserve affordable housing in their communities. Since 1985, the organization has made 431 loans in 37 states totaling \$206 million, resulting in 17,300 affordable homes for nearly 48,600 residents. These loans have leveraged more than \$1.4 billion in total development funding. Mercy Loan Fund is certified by the U.S. Treasury Department as a Community Development Financial Institution (CDFI). Mercy Loan Fund was formed with the goal of supporting the mission of Mercy Housing by making loans for affordable housing developments when conventional financing is not possible or affordable. For information about Mercy Loan Fund, please visit www.mercyloanfund.org or www.mercyhousing.org.