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## **Caritas Communities provides financing housing for United States Veterans**

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The number of homeless veterans in Massachusetts has declined significantly in 2010 and 2011. Approximately 1,200 homeless veterans represent almost 20% of all Massachusetts' homeless individuals.

In March, lieutenant governor Murray proposed adding 1,000 units of permanent housing for homeless veterans by producing approximately 250 permanent supported housing units and requesting 700 HUD-Veterans Affairs Supportive Housing (VASH) vouchers from HUD. Caritas Communities has developed 2 properties providing permanent housing for veterans with a 3rd in progress.

The financing was complex, requiring a variety of funding sources.

Our first property - Bedford Veterans Quarters - was at the Veterans Administration Medical Campus in Bedford, Mass.

We executed a 55-year lease with the Department of Veterans Affairs for approximately 2/3 of space in "Building 5" and converted the space into 60 units of permanent single room occupancy (SRO) housing. including common kitchens, lounges and shared bathrooms.

The financing package combined conventional debt and below-market subordinate debt. In addition, project-based, Section 8 rental subsidy for virtually all of the units was available.

The major financing challenge was securing first mortgage financing for a leasehold position rather than fee ownership. The first mortgage lender is Brookline Bank The subordinate debt holders are:

- \* Mass. Affordable Housing Trust Fund;
- \* Community Economic Development Assistance Corporation Housing Innovation Fund;
- \* Mass. Department of Housing and Community Development, Housing Stabilization Fund; and
- \* The Bedford Housing Trust

Sean Brook House, our second veteran's housing effort, converted a vacant warehouse in New Bedford into 19 one bedroom units.

The financing was similar to Bedford with Citizens Bank as the first mortgage lender and assistance from The City of New Bedford HOME Program. We secured 11 project-based Section 8 vouchers to provide rental assistance.

Our current veterans housing effort with the South Boston Neighborhood Development Corporation, will transform South Boston's vacant D Street police station into 24 units of housing with a preference for veterans.

This latest financing introduces a tax exempt bond to fund the construction and permanent loan. First Trade Union Bank will purchase the bonds. This property, known as Patriot Homes, will provide 12 studio units, 2 one bedroom units and 10 two bedroom units of permanent housing

In each property, below-market subordinate debt and/or project-based rental assistance provides

affordable housing package for individual with low and extremely low incomes.

Caritas Communities is greater Boston's largest non-profit owner of affordable single room occupancy property in greater Boston. Caritas provides affordable housing to almost 900 residents in 29 buildings in Boston and 13 other communities. Our residents include the working poor, veterans, retirees, and homeless individuals Caritas is a non-sectarian organization based in Braintree.

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