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MassHousing closes on \$14 million in financing to Beacon Communities

March 01, 2019 - Owners Developers & Managers

Roxbury, MA MassHousing has closed on \$14 million in financing to Beacon Communities LLC for the rehabilitation and preservation of affordability at the 72-unit Camden Apartments.

The Camden Apartments is a state-aided public housing community currently operated by the Boston Housing Authority (BHA). As part of its ongoing effort to modernize public housing across the city, the BHA has designated Beacon Communities to redevelop the Camden Apartments property. Beacon Communities will utilize the MassHousing financing to substantially renovate the property, and will manage the Lower Roxbury property through a 99-year ground lease with the BHA.

“Massachusetts has one of the country’s largest state-aided public housing portfolios, and it is critical that these homes be well-positioned to serve the needs of the Commonwealth’s residents, now and well into the future,” said MassHousing executive director Chrystal Kornegay. “Beacon Communities, the Boston Housing Authority, and the Massachusetts Department of Housing and Community Development, all share MassHousing’s mission of creating housing communities that stabilize families and promote economic prosperity. We are proud to support this public-private partnership, which will result in a significant investment in the preservation and modernization of housing for lower-income families in Roxbury.”

The Modernization to Independence pilot program, launched by the Baker-Polito Administration in 2017, is intended to rehabilitate and preserve state public housing units to better enable the Commonwealth to manage and address the needs of an aging public housing portfolio, of which the state manages more than 45,000 units.

Beacon plans \$14.3 million in property renovations at the Camden Apartments, including window and door replacement, new plumbing and hot water systems, new electrical systems, unit upgrades, and exterior masonry repairs.

MassHousing provided Beacon with a \$5.9 million tax-exempt construction and permanent loan and an \$8.1 million tax-exempt bridge loan. The MassHousing financing also generated \$6.8 million in Low-Income Housing Tax Credit equity for the project.

Other project financing includes \$4.2 million in federal and state historic tax credit equity, \$5.8 million in state public housing funds from DHCD, a \$5.6 million seller note and \$500,000 from the Federal Home Loan Bank of Boston.

The Camden Apartments are located at 50-60 Camden St., and feature 36 one-bedroom apartments, 19 two-bedroom apartments and 17 three-bedroom apartments.

Of the 72 apartments, 8 will be for households earning at or below 30% of the Area Median Income (AMI), and 64 units will be for households with incomes at or below 60% of AMI. The median income for a family of four in Boston is \$107,800.

The contractor will be Cruz Construction, the architect is The Architectural Team and the management agent is Beacon Residential Management.

The Camden project is expected to create more than 60 full-time jobs by the time of the project's completion in June 2020.

"This renovation marks an important new chapter for this historic development, and I am proud to begin our work together today to make his neighborhood stronger than ever," said mayor Martin Walsh. "This redevelopment will not only modernize these buildings to make them more energy efficient, safe and accessible, but will help us continue to set a national standard for quality public housing."

"Beacon is proud of our long partnership with the Boston Housing Authority and grateful to the many city and state and federal agencies and other partners who made this transaction possible," said Beacon Communities CEO Dara Kovel. "The rehabilitation will allow for Camden Apartments to serve as a quality affordable housing resource for many years to come."

"Massachusetts has an incredible asset in our 45,000-unit public housing portfolio, and we are committed to using tools such as the Modernization to Independence pilot to ensure it remains a resource for residents across the Commonwealth," said Housing and Community Development undersecretary Janelle Chan. "We are proud to support the revitalization of the Camden Apartments with more than \$15 million in direct funding and federal tax credit equity. By preserving this important resource, our partnership with MassHousing, Boston Housing Authority, and Beacon Communities will improve the quality of life for residents and ensure the building will remain affordable for future generations of families."

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