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MassHousing closes on \$25.25m in affordable housing financing

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Roxbury, MA MassHousing has closed on \$25.25 million in affordable housing financing to an affiliate of Vitus, for the preservation and rehabilitation of 82 affordable housing units. Vitus will utilize the MassHousing financing to combine a pair of affordable housing communities, the Fort Hill Gardens and Esperanza Trust properties, into a single development entity, make substantial capital improvements to the properties, and extend affordability protections for residents for at least 20 years.

MassHousing provided an affiliate of Vitus with a total of \$25.25 million in construction and permanent financing, including \$19 million in tax-exempt lending. The MassHousing financing generated \$10.8 million in federal Low Income Housing Tax Credit equity for the project. As part of

the transaction, Vitus will extend two federal Section 8 Housing Assistance Payment contracts, which cover all 82 units at Fort Hill Gardens and Esperanza Trust, for an additional 20 years.

The transaction will combine the 40-unit Fort Hill Gardens at 58 Cedar St. with the 42-unit Esperanza Trust located at 80 Walnut Ave. Vitus acquired both properties in February 2019. The MassHousing transaction recapitalizes the development and allows Vitus to make substantial capital improvements, including masonry repairs, roof replacement, exterior door and window replacement, new siding, improvements to apartments and community areas, and fire safety upgrades. The renovation project will also create five new accessible apartment units.

The 40 three-bedroom Fort Hill Gardens apartments are contained in 10 three-story townhouse buildings. The 42 Esperanza Trust units are contained in three semi-attached four-story buildings and consist of five studio apartments, 16 one-bedroom apartments and 21 two-bedroom apartments.

The general contractor is Keith Construction. The architect is Davis Square Architects and the management agent is United Housing Management.

“This transaction has combined two affordable housing communities into one entity that will provide quality housing options for lower-income households in Roxbury for many years to come,” said MassHousing Executive Director Chrystal Kornegay. “In addition to ensuring long-term affordability for the residents, the development team will complete needed renovations to upgrade and modernize the property.”

“At Vitus, we specialize in protecting existing affordable housing in communities with the greatest need – Roxbury is a perfect example. The area has seen a great deal of growth in recent years, but rising housing costs make it challenging for long-time residents to remain in the neighborhood they’ve called home for so many years.” said Brooke Shorett, Development Management Director at Vitus. “With this substantial renovation project, we are happy to partner with MassHousing to offer these residents an affordable place to live for the foreseeable future.”