

FINANCE

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AFFORDABLE HOUSING FINANCE

Financing Arranged for Third Phase of Boston's Old Colony Redevelopment

The latest phase will construct 170 affordable homes.



The Architectural Team

Beacon Communities is building new homes to replace the old public housing units at the Anne M. Lynch Homes at Old Colony in Boston.

MassHousing has closed on \$78.8 million in financing to Beacon Communities to complete the third phase of the redevelopment of obsolete public housing at the Anne M. Lynch Homes at Old Colony in South Boston.

The MassHousing financing will allow Beacon Communities, in partnership with the Boston Housing Authority (BHA), to demolish 135 older public housing units and construct 170 new affordable homes for lower-income families and senior citizens.

Originally constructed in 1940, Old Colony is one of the oldest federal public housing developments in the country and, prior to the redevelopment effort, was one of the most distressed properties in the BHA's federal portfolio. Beacon Communities and the BHA are redeveloping the 845-unit Old Colony in multiple phases. To date, the first two phases and a portion of the third phase of the redevelopment have been completed, resulting in the replacement of blighted public housing with 420 new apartment units and townhomes.

Beacon Communities is advancing two subphases of Phase Three of the larger Old Colony redevelopment, Phases Three B and Three C. The work will construct 170 new affordable homes in two four-story buildings.

"MassHousing is thrilled to partner with Beacon Communities, the Boston Housing Authority, and the AFL-CIO Housing Investment Trust to advance the transformation of the Anne M. Lynch Homes at Old Colony," said MassHousing executive director Chrystal Kornegay. "As one of the nation's first federal public housing communities, Old Colony promised a Boston where residents of all means had a place to live affordably and thrive. The improvements made possible by this redevelopment partnership will ensure that Old Colony remains welcoming and able to serve the housing needs of lower-income households for many years ahead."

Darcy L. Jameson, Beacon Communities vice president of development, added that Beacon is excited to begin these latest phases of redevelopment for the residents of Old Colony. "We appreciate the commitment of the BHA, our lending and investment partners, and the city and state to continue the revitalization of this vibrant housing community by creating new, healthy homes for the people who live at Old Colony."

MassHousing's \$78.8 million in financing to Beacon Communities includes \$36.7 million in construction financing, \$5.7 million in construction to permanent financing, \$19.2 million in permanent-only financing, and \$3.8 million in short-term equity bridge financing to support Phase Three B; and \$6.2 million in construction financing and \$7.2 million in construction to permanent financing for Phase Three C.

Other financing sources for Phases Three B and Three C included a total of \$36.7 million in federal and state low-income housing tax credit equity, \$14.3 million in funding from the BHA, \$2 million in financing from the state's Affordable Housing Trust Fund, \$500,000 in financing from the state's Community Based Housing program, and a \$137,500 grant from the Massachusetts Clean Energy Center.

Phase Three B involves the demolition of 94 outdated public housing units and the construction of 115 affordable replacement units for low-income families and households in a new, four-story building. Phase Three C involves the demolition of 41 units and the construction of 55 new one-bedroom units for individuals and households 62 or older.

The AFL-CIO Housing Investment Trust has invested approximately \$187 million in MassHousing housing bonds to redevelop

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The general contractor for Phases Three B and Three C is Dimeo Construction Co., the architect is The Architectural Team, and the management agent is Beacon Residential Management.

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