



## News from POAH

### Preservation of Affordable Housing

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## **Boston nonprofit acquires Grace Church Apartments in Providence to preserve as affordable housing**

*Deal will assure long-term affordability*

BOSTON— Preservation of Affordable Housing (POAH), an affordable housing nonprofit organization based in Boston, today announced that it has closed on the purchase of Grace Church Apartments, a 101-unit affordable apartment complex in Providence. Grace Church Apartments is an 8-story building constructed in 1978 under the HUD Section 202 program that provides very low-income elderly with services to allow them to live independently such as cleaning, cooking, transportation, etc..

POAH's acquisition of the property insures that affordability at the property will be preserved in perpetuity. Under the previous ownership structure, the affordability provisions were set to expire in 2020. "Often the threat of losing affordability covenants arises after it's too late," said Amy Anthony, president of POAH. "There has been a very significant public investment in creating this housing over the years. POAH's purchase will preserve the value of those public funds," said Anthony.

The acquisition was made possible by \$4.1 million in 4% low income housing tax credit equity from the Massachusetts Housing Investment Corporation and a \$10.4 million FHA loan backed by \$7.4 million in tax-exempt bond financing from Rhode Island Housing. In addition, the transaction is benefiting from the State of Rhode Island's partial real estate tax abatement program in which rent-restricted properties receiving substantial renovations are taxed at no higher than 8% of Gross Potential Revenues. This partial relief is critical underwriting transactions such as Grace Apartments.

POAH will conduct more than \$3.6 million in renovations in the coming months including new windows, replacement of all substandard kitchens and baths, improved ventilation in apartments, and fire safety upgrades.

The property includes a hobby room, library, fitness room, and management offices. Grace Church Apartments also features a commercial kitchen operated by the nonprofit organization, The Cookie Place, which provides food-service job training to veterans and developmentally disabled adults. The Cookie Place's lease had expired and its future was uncertain, but POAH agreed to enter into a new lease and will work with the organization to support its mission and continued growth.

The permanent financing package includes:

Rhode Island Housing	\$7.4 million
Massachusetts Housing Investment Corporation	\$4.1 million
HUD 221(d)(4) Loan (Red Mortgage Capital, FHA Lender)	\$10.2 million

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*About 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 more than 8,500 apartments in nine states and the District of Columbia, serving the working poor, families, individuals, and seniors. To receive updates on POAH's activities sign up for our newsletter: <http://bit.ly/7guw>*

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