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Renovation work at Grace Apartments ensures long-term affordability for seniors

Combination of affordable homes and services allows seniors to age in place

Providence, RI (June 9, 2014) – Preservation of Affordable Housing (POAH), Rhode Island Housing and their funding and community partners came together today to celebrate the ongoing renovation and preservation of 101 affordable rental homes for seniors in downtown Providence.

Developed in 1978 as a HUD 202 development, the property was recently acquired by Preservation of Affordable Housing (POAH), a not-for-profit with a core mission of preserving at-risk affordable housing. POAH's acquisition of Grace Apartments (formerly known as Grace Church Apartments) ensures that affordability at the property will be preserved for the long term and services will continue to be provided.

“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 developers are undertaking more than \$3.6 million in renovations 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. The renovations at Grace Apartments are updating and preserving these homes, but more importantly, the improvements are helping to enhance the lives of the people living here and the surrounding community for years to come.

Several partners came together to ensure that the homes at Grace Apartments remain safe, healthy and affordable. The acquisition was made possible by \$4.1 million in Low Income Housing Tax Credit equity from the Massachusetts Housing Investment Corporation (MHIC) and an FHA loan backed by tax-exempt bond financing from Rhode Island Housing.

“MHIC is truly pleased to make its first housing tax credit investment in Rhode Island working with long time partners POAH as developer/sponsor, and RBS Citizens Bank as investor,” said Peter Sargent, Director of Capital Development, Massachusetts Housing Investment Corporation. “This rental apartment complex, in particular, was a perfect fit for MHIC and low-income housing tax credits because of its location and the need to preserve its long term affordability.”

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“We feel privileged for the opportunity to partner with POAH and to fund the renovation of Grace Church Apartments,” said Reza Aghamirzadeh, Executive Vice President, Community Development Director, RBS Citizens Bank. “Community development and revitalization is a key focus for Citizens Bank, and we are thrilled to have played a role in the revitalization of this important community asset.”

As part of a complex financing structure centered on a low-interest loan offered by the Federal Housing Administration, Boston Private Bank & Trust Company purchased bonds issued by Rhode Island Housing for the refinance and moderate rehab needed to preserve 101 units of senior affordable housing at the Grace Apartments. The bond issuance triggered the project’s eligibility for Low Income Housing Tax Credits.

“The Grace project is a great example of collaboration for a valuable affordable housing resource,” said Mark D. Thompson, CEO & President, Boston Private Bank & Trust Company. “We are pleased to be involved in the project and look forward to seeing its positive community influence for generations to come.”

These funds, in addition to creating safe, healthy affordable homes for Rhode Islanders, are vital to the creation of much needed jobs. The architect and general contractor for the development are both Rhode Island-based firms, providing jobs for our state and its residents while also preserving these homes and improving them for residents.

“In addition to working hard to create new homes for Rhode Islanders, we need to do everything we can to preserve and revitalize existing ones,” said Richard Godfrey, Executive Director of Rhode Island Housing. “The need to preserve the homes we already have is becoming critical. The need becomes even more essential and challenging when the homes are for seniors, a population with fixed incomes and specific housing needs. Our partners at POAH are meeting that challenge by maintaining homes that seniors can afford while providing the services they need.”

Elderly renters have the highest cost burden of any age group in the state. Of more than 30,000 low-income elderly renters, approximately 15,000 of them pay more than 30% of their monthly income for rent. The 2010 Census shows our 65-and-over population to be over 150,000 and RI’s Division of Statewide Planning projects that number to grow by more than 25,000 by 2020.

“The Division of Elderly Affairs is grateful for the collaboration that will preserve and renovate these homes for seniors in Providence, keeping with DEA’s mission of supporting older Rhode Islanders as they age in the community,” said Catherine Taylor, Director of the Division of Elderly Affairs, Department of Human Services. “This is truly community housing, convenient to transportation, shopping, medical attention, recreation, family and friends.”

The development also features a commercial kitchen operated by the nonprofit organization, Cookie Place Café, Inc., which provides food-service job training to veterans and adults with developmental disabilities. 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.

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Since 1982, Cookie Place, Inc. through its bakery and Food Service Training Program, have assessed, trained, supported and promoted hundreds of food service workers. Many of these individuals have moved forward to full-time employment in bakeries, restaurants and corporations.

About Rhode Island Housing

Together with its partners, Rhode Island Housing works to ensure that all people who live and work in Rhode Island can afford a healthy, attractive home that meets their needs. Rhode Island Housing uses all of its resources to provide low-interest loans, grants, education and assistance to help Rhode Islanders find, rent, buy, build and keep a good home. Created by the General Assembly in 1973, Rhode Island Housing is a privately funded public purpose corporation. For more information, visit: www.rhodeislandhousing.org

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, renovations, redevelopment and long-term management. POAH owns close to 9,000 affordable apartments in nine states and the District of Columbia serving the working poor, families, individuals, and seniors. For more information, visit: www.POAH.org

About Massachusetts Housing Investment Corporation

MHIC is a private nonprofit lender and investor specializing in financing affordable housing and community development throughout New England. It was founded in 1990 by a consortium of banks and other corporate investors to fill a critical gap in meeting the credit needs of developers who could not get financing for certain projects from traditional lenders. To date, MHIC has provided \$2.07 billion in financing. That financing represents the preservation or creation of more than 18,200 housing units and more than 4 million square feet of commercial space. For more information, see www.mhic.com

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