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## **Boston-based Preservation of Affordable Housing wins top prize in Affordable Housing Finance Readers' Choice competition for nation's best development**

BOSTON - Preservation of Affordable Housing's (POAH) acquisition of an 841-unit affordable housing portfolio in Massachusetts has captured the top prize in *Affordable Housing Finance* (AHF) magazine's 2013 Readers' Choice Awards for the nation's best developments of 2012-2013. AHF makes the awards to projects they deem "shining developments that were selected on several key characteristics, including adding to the affordable housing stock, community revitalization, creative problem-solving, outstanding social services, and cost-effective and innovative design and construction."

The portfolio consists of six properties comprising 841 apartments that house seniors and low- and moderate-income families - 537 apartments in three highly desirable downtown Boston locations, 208 units on Cape Cod and 96 units in Hudson, MA (see below). The portfolio purchase, which used tax exempt bonds as well as federal and state low income housing tax credits, constituted one of the largest affordable housing preservation transactions ever supported by the Commonwealth of Massachusetts and MassHousing.

POAH acquired the affordable housing portfolio from the State Street Development Management Company (not to be confused with State St. Bank or Corporation) which decided to go out of business. The move ensures that the apartments will remain home to low-income seniors and families.

The three Boston properties, all of which house seniors, include historically significant buildings in Kenmore Square and the South End; Franklin Square House and Kenmore Abbey both have storied histories as grand hotels and dormitories for young women and students. Franklin Square House's

façade was used in the opening of the 1980s tv show St. Elsewhere. Major league baseball players stayed at the Kenmore Abbey back in the day.

Today they house one of POAH's most linguistically diverse resident populations speaking Mandarin, Russian and Spanish. POAH hired interpreters and a bilingual staff to assist them through the transition and construction. Additionally, seniors at the Blackstone Apartments in the midst of the Mass General Hospital campus receive services from collaboration between Boston Senior Home Care, a state funded home care agency, and the Senior HealthWISE Program, a community program of MGH.

The Orleans and Brewster properties contribute to the socio-economic diversity of the Cape Cod Community and maintain a housing option for current and future residents who might otherwise need to move off Cape to find affordable housing. Further west, the preservation of the property in Hudson, MA is a great benefit to that town's seniors due to the proximity to the town's main street.

The preservation of this six-property portfolio was unique not only because of its sheer scale and the irreplaceable nature of the assets, but because the success of the transaction was contingent on POAH's ability to quickly and dependably execute a complex acquisition strategy for the entire portfolio. The financings of each property were simultaneously independent and inter-related. The scale of the developments was such that no single financing structure could be replicated for all of the deals, but the POAH team was able to achieve some efficiencies due to the fact that many of the partners were used in a number of the properties. To position the developments for the future, POAH received 20-year extensions on the Section 8 contracts that were nearing expiration and made significant improvements at each site. POAH also resolved several complicated issues including mitigating the potential risk of a Section 8 overhang, where Section 8 rents are higher than low-income housing tax credit (LIHTC) rents.

"The desirability of the real estate and its location within high-rent markets made this acquisition particularly challenging but extremely important," said POAH President Amy Anthony.

"An acquisition of this magnitude and complexity required the support of a wide range of partners – from investors to public sector partners to municipalities and their support helped us ensure that these apartments will remain affordable for decades to come," added Rodger L. Brown, Jr., POAH's Managing Director of Real Estate Development.

POAH will receive the award at a Nov. 22 luncheon at the conclusion of the AHF 2013 Affordable Housing Developers' Summit in Chicago.

Franklin Square House in Boston's South End was Boston's grand hotel in the 1800s.



The properties:

**Boston:**

Franklin Square House, 11 E. Newton Street  
Blackstone Apartments, 33 Blossom Street  
Kenmore Abbey Apartments, 488 Commonwealth Avenue

**Brewster, MA:** King's Landing, 1200 State Street

**Hudson, MA:** Machado House at Peter's Grove, 11 Lake Street

**Orleans, MA:** Rock Harbor Village, 9 Main Street

**Blackstone Apartments Project Partners**

MassHousing  
Alliant Capital  
Massachusetts Department of Housing and Community Development  
Community Economic Development Association Corporation  
AFL-CIO Housing Investment Trust  
City of Boston

**Franklin Square House Project Partners**

Avidia Bank  
Brookline Bank  
Cambridge Savings Bank  
Massachusetts Department of Housing and Community Development  
MassHousing  
Massachusetts Housing Investment Corporation

**Kenmore Abbey Apartments Project Partners**

Massachusetts Department of Housing and Community Development  
MassHousing  
Boston Private Bank and Trust Company  
Alliant Capital  
RBC Capital

### **Kings Landing Project Partners**

Community Economic Development Assistance Corporation  
Massachusetts Department of Housing and Community Development  
MassHousing  
National Affordable Housing Trust

### **Rock Harbor Village Project Partners**

Alliant Capital  
Barnstable County HOME Consortium  
Massachusetts Department of Housing and Community Development  
MassHousing  
Town of Orleans

### **Machado House at Peter's Grove Project Partners**

Avidia Bank  
Massachusetts Department of Housing and Community Development  
MassHousing  
MassHousing Investment Corporation

*Boston-based Preservation of Affordable Housing (POAH) is a nonprofit organization whose mission is to preserve and steward affordable rental housing to provide stability, hope and economic security to low- and moderate-income individuals and families. POAH has rescued and restored some of America's most 'at risk' rental housing totaling 8,500 apartments in nine states and the District of Columbia. POAH is known nationally for its ability to develop innovative financing structures and to close complex deals which preserve long-term housing affordability for seniors, individuals with disabilities and families priced out of the housing market. POAH has also successfully influenced a range of public policies to address the nation's housing preservation challenges.*