

MHIC News

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MHIC's first LIHTC investment in Rhode Island

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.



Peter Sargent, MHIC Director of Capital Development.

"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.”

“We feel privileged for the opportunity to partner with POAH and to fund the renovation of Grace 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.”

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MHIC is an active member of the National Association of State and Local Equity Funds (NASLEF).

