

DEVAL L. PATRICK

GOVERNOR

TIMOTHY P. MURRAY

LIEUTENANT GOVERNOR

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PATRICK-MURRAY ADMINISTRATION TARGETS \$30.4 MILLION IN ADDITIONAL RECOVERY FUNDS TO RESTART HOUSING DEVELOPMENT

Latest round of federal tax credit exchange funds to revive five more projects

BOSTON – November 24, 2009 – As part of the Patrick-Murray Administration’s Massachusetts Recovery Plan to secure the state’s economic future, Governor Deval Patrick today announced he will target an additional \$30.4 million in recovery funds from the U.S. Treasury Department’s tax credit exchange program to revive five affordable housing developments stalled due to the lack of equity available in low-income housing tax credit markets. Today’s awards follow last month’s commitment from the administration to distribute \$50.3 million from the Treasury program to create jobs and jumpstart 10 other projects across the state.

With today’s announcement, developments in Haverhill, Mashpee, Springfield and two in Boston will restart thanks to American Recovery and Reinvestment Act (ARRA) funds that will fill the projects' financing gaps created when tax credits could not leverage the equity needed to support construction costs.

“We are working hard to identify and secure the resources that will further our ongoing recovery efforts, create jobs and strengthen communities,” said Governor Patrick. “Affordable housing developments are essential facets of our public infrastructure and investing in them will pay dividends now and over the long term.”

“Getting these projects moving complements our ongoing efforts to promote the development of affordable housing, which is a key part of our goal to end homelessness,” said Lieutenant Governor Timothy Murray, chair of the state’s Interagency Council for Housing and Homelessness. “I am grateful for the work done by members of federal delegation who recognized the importance of affordable housing to our overall economic recovery.”

"These investments are a lifeline for working families in Boston, Haverhill, Mashpee and Springfield struggling to make ends meet in a tough economy. It'll put people back to work while allowing hundreds of low and moderate income families to keep a roof over their heads and help our economy on the long road to recovery," said Senator John Kerry.

“Now that the winter months are upon us, it is more important than ever to see that no families are left in the cold,” said Senator Paul G. Kirk, Jr. “I commend Governor Patrick for using these tax credits to fund affordable housing opportunities and for his strong efforts to lead the economic recovery in the Commonwealth.”

Due to current tax credit market conditions, these Treasury Department recovery funds allow states to convert previously awarded tax credits into grants or low-interest deferred loans. The Patrick-Murray Administration's Department of Housing and Community Development (DHCD) implements the program in Massachusetts and awards funds competitively based on criteria reflecting whether projects were shovel ready for construction and secures in all other aspects of project financing and permitting. All awardees must now close within 120 days and start construction within another 45 days.

"This latest round of U.S. Treasury tax credit exchange recovery funds, coupled with the recent release of \$50.3 million in awards from that same program, along with more than \$45.5 million in low-income housing tax credit assistance that we also awarded last summer from the U.S. Department of Housing and Urban Development, has helped us to get some important housing developments back on track while also creating new jobs and affordable housing opportunities for families on all income levels," said Housing and Community Development Undersecretary Tina Brooks.

"We're grateful to the Commonwealth for their investment in two excellent neighborhood housing developments. The Tax Credit Exchange program is a creative approach to getting many of our important development projects moving again, despite the tight lending markets," Mayor Thomas Menino said. "These funds will not only enable the creation of new construction and permanent jobs in our City, but this also means hundreds of new affordable units of housing will be made available for Boston residents. I applaud Governor Patrick for this sound investment in Boston's neighborhoods."

“Governor Patrick has shown his commitment to housing in the Greater Boston area, especially in this community which is happy to build affordable housing,” said Representative Jeffrey Sanchez. “Finding affordable housing in the Greater Boston area is always difficult, so I am pleased that we will be able to add to the affordable housing stock and create jobs in the process.”

“We’re thrilled this federal money has been made available by the Governor,” said Senator Robert O’Leary. “Affordable housing has always been a difficulty on the Cape and Islands and I am glad this project will make more affordable units available.”

“Affordable housing certainly is needed in this area, so this is a welcome stimulus to the project,” said Representative Matthew Patrick. “This is a great initiative to create that needed affordable housing.”

“These funds are essential to the work of Urban Edge, a major CDC in my district, and will offer tremendous benefit to our community,” said Representative Liz Malia.

PROJECT AWARDS:

- The Pine Street Inn, Jamaica Plain Neighborhood Development Corp. and New Atlantic Development will receive \$3,590,843 to develop the 35 Creighton Street Residences in Jamaica Plain (Boston). This project is part of the redevelopment of the former Blessed Sacrament church campus. This development will utilize green design elements to offer 28 single room occupancy units for homeless individuals transitioning from shelter to permanent housing. It is estimated that this project will create or retain 26 jobs.
- Urban Edge will receive \$9,940,517 to develop the Jamaica Plain (Boston) apartments. This is a scattered site development with 103 existing affordable units located in eleven properties in Jamaica Plain. Incorporating green design, over 70% of the units in the project contain three or four bedrooms. All of the 103 units will be restricted for rental to households earning less than 60% of area median income, with 15 of the 103 units further restricted for occupancy by extremely low income families. It is estimated that the project will create or retain 95 jobs.
- The Community Builders will receive \$4,060,704 to build the first phase of Mashpee Village. This is a two-phase project involving high priority capital improvements to an existing fully occupied affordable housing property. The project will deliver 145 affordable family units, with 52 of the units affordable to extremely low income households. It is estimated that 47 jobs will be created or retained through the rehabilitation of the project.
- Forest City will receive \$4,746,153 for this renovation of Hamel Mill Lofts, an historic shoe factory in Haverhill. Located adjacent to the commuter rail station, the property is already under construction and when complete will offer 305 new units of housing, of which 61 will be affordable to low income households. It is estimated that the construction of the project has generated or will generate more than 500 jobs.
- Flores and Elm Street Development and the New England Farm Workers Council will receive \$8,097, 586 for the Borinquen Apartment project in Springfield. This

is a scattered site development with the first phase of 41 existing affordable units located in two historic buildings on Springfield's Main, Huntington, and Greenwich streets. Over 65% of the units contain two or more bedrooms. All of the 41 units will be restricted for rental to households earning less than 60% of area median income, with 8 of the 41 units further restricted for occupancy by extremely low income families. The project will create or retain an estimated 60 jobs.

Investments in housing and economic development are critical components of Governor Patrick's Massachusetts Recovery Plan, which combines state, federal and, where possible, private efforts to provide immediate and long-term relief and position the Commonwealth for recovery in the following ways:

- **Deliver immediate relief** by investing in the road, bridge and rail projects that put people to work today and providing safety net services that sustain people who are especially vulnerable during an economic crisis;
- **Build a better tomorrow** through education and infrastructure investments that strengthen our economic competitiveness, prepare workers for the jobs of the future, and support clean energy, broadband, and technology projects that cut costs while growing the economy; and
- **Reform state government** by eliminating the pension and ethics loopholes that discredit the work of government and revitalize the transportation networks that have suffered from decades of neglect and inaction.

For more information, please visit www.mass.gov/recovery.

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