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## **Low-Income Senior Citizens and Families Living in Two Chinatown Housing Communities Have Affordability Extended, Will See Extensive Property Renovation**

*Located in one of Boston's most expensive neighborhoods, Quincy Tower and Oak Terrace Apartments used a combination of MassHousing financing and important Low-Income Housing Tax Credits to extend affordability on 249 apartments*

BOSTON – March 22, 2017 – Low-income senior citizens and families living in one of Boston's most expensive neighborhoods will see their affordable rents extended and extensive property renovations as a result of \$59 million in MassHousing financing and funding from the use of Low-Income Housing Tax Credits.

The two transactions involve a combined 249 housing units in Chinatown and will allow long-term residents to remain in one of the city's most expensive housing markets.

An affiliate of [Beacon Communities LLC](#) is using \$42.5 million in MassHousing financing and other funding sources to refinance the 161-unit **Quincy Tower** at 5 Oak St. West in Chinatown for low-income senior citizens and complete nearly \$12 million in property upgrades.

The allocation of state and federal Low-Income Housing Tax Credits by the [Massachusetts Department of Housing and Community Development](#) (DHCD) will extend the low-income affordability on all 161 one-bedroom apartments at Quincy Tower for at least 30 years. Additionally, all 161 apartments are subsidized by a federal Section 8 Housing Assistance Payment Contract (HAP) for at least 20 years.

The [Asian Community Development Corporation](#) (ACDC) is using \$16.6 million in MassHousing financing to refinance and complete \$10 million in renovations at the 88-unit **Oak Terrace Apartments** at 888 Washington St. in Chinatown for families. Additionally, the refinancing will add \$2 million to the property's Replacement Reserve to address deferred capital needs over the loan term.

Sixty of the 88 units at Oak Terrace Apartments will remain affordable in perpetuity. Thirty of the apartments are subsidized by a HAP contract for at least 15 years. Twenty-eight of the apartments are rented at market rates.

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“Chinatown is one of the most expensive neighborhoods in Boston and to be able to extend the affordability at Quincy Tower and the Oak Terrace Apartments is a tremendous outcome for the low-income senior citizens and families who have lived there for many years and who will now be able to live in those housing communities for many years to follow,” said **MassHousing Executive Director Tim Sullivan**. “These two transactions are powerful examples of the success and the continued need for the Low-Income Tax Credit Program. While the value of tax credits has dropped slightly recently, the program remains a very critical source of financing for affordable housing.”

In fact, Sullivan noted, a bi-partisan bill currently before Congress would expand the tax credit program by 50%.

“It is very difficult for working families and senior citizens to afford rents in Chinatown,” said **Congressman Mike Capuano**. “Tax-funded programs are a vital and dynamic part of preserving our communities. Keeping rents affordable through Low-Income Housing Tax Credits and Section 8 vouchers shows how the federal government can be an important partner in stabilizing communities.”

MassHousing originally financed the 16-story Quincy Tower when it was constructed in 1977. As that 40-year loan neared maturity, Beacon was committed to refinancing the property and extending affordability. MassHousing provided a \$21 million construction and permanent loan with a 4.29% interest rate and a \$21.6 million bridge loan with a 3% interest rate.

DHCD provided \$3 million in additional funding and also allocated State Low-Income Housing Tax Credits, which together with 4% Federal Low-Income Housing Tax Credits, provided \$15.3 million in financing for the transaction after syndication by the [Massachusetts Housing Investment Corporation](#) (MHIC). The transaction also involved a \$4.4 million loan from [The Life Initiative](#), a community investment fund created by Massachusetts-based life insurance companies, and \$1.75 million in financing from the City of Boston.

Among the property improvements planned are building envelope improvements, mechanical system improvements – including heating and domestic hot water boiler replacement – common area improvements, replacement of kitchen and bathroom cabinets, fixtures and finishes, accessibility upgrades, elevator improvements and security system enhancements.

“This was a fairly complex transaction that would not have been completed if not for the commitment to keep Quincy Tower affordable from Beacon Communities, DHCD, the city of Boston, MHIC and The Life Initiative,” said Sullivan.

“Chinatown has a strong real estate market with rising rents that make it impossible for our elderly residents to remain in the community without strong support of MassHousing and our other state and Boston partners. We are grateful that they provided the resources critical to preserving the long-term affordability of Quincy Towers,” said **Gina Martinez, Beacon Communities’ Development Director** for the project.

MassHousing provided a \$12.5 million construction and permanent loan with a 4.29% interest rate and a \$4.1 million bridge loan with a 3.0% interest rate for the Oak Terrace Apartments. MassHousing originally financed Oak Terrace when it was built in 1995 and allowed ACDC to pre-pay its existing permanent mortgage with an 8.0% interest rate and refinance to the new rate of 4.9%.

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The syndication of the tax credits by the [RBC Tax Credit Equity Group](#) provided \$8.43 million in financing to the transaction.

“Oak Terrace Apartments was the first affordable housing project that ACDC developed. At the time, Chinatown faced a dire shortage of affordable housing. After more than 20 years, affordable housing remains the top issue for Chinatown as residents face increasing pressure from gentrification and displacement. This refinancing will preserve an important affordable housing asset and will allow low-income families to remain in Chinatown and access the amenities, services and opportunities this community offers,” said **Angie Liou, Executive Director of Asian Community Development Corporation.**

The Oak Terrace Apartments consist of 14 one-bedroom apartments, 32 two-bedroom apartments, 33 three-bedroom apartments and 9 four-bedroom apartments in a 10-story building with connecting three and four-story townhomes.

Among the renovations planned for the property are building envelope repairs, roof replacement, major systems replacement, kitchen and bathroom upgrades, window refurbishment, new flooring, common area upgrades and accessibility modifications.

MassHousing currently has eight Chinatown housing communities in its multifamily loan portfolio with 880 total units.

### ***About Beacon Communities LLC.***

Beacon Communities LLC is a privately owned real estate firm that develops, acquires, invests in, and manages a wide range of multi-family housing. Their portfolio includes affordable housing, market rate housing and mixed income-housing. Their developments range from new construction, to historic adaptive reuse, to the renovation of existing housing. They take on challenging developments and make them succeed. Their driving passion is to create well-designed, healthy homes that improve the quality of life of their residents and enhance the neighborhoods in which they are located. For more information about Beacon Communities LLC please visit [www.beaconcommunitiesllc.com](http://www.beaconcommunitiesllc.com).

### ***About Asian Community Development Corporation***

The Asian Community Development Corporation (ACDC), a 30-year old community-based organization, serves the Asian American community of Greater Boston, with an emphasis on preserving and revitalizing Boston’s Chinatown. ACDC develops physical community assets, including affordable housing for rental and ownership; promotes economic development; fosters youth leadership development; builds capacity within the community and advocates on behalf of the community. ACDC has developed over \$100 million in mixed-use real estate that is home to over 1,200 residents in Boston and Quincy, and provides housing counseling and homebuyer workshops throughout the year. For more information, visit [www.asiancdc.org](http://www.asiancdc.org).

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***About MassHousing***

MassHousing (The Massachusetts Housing Finance Agency) is an independent, quasi-public agency created in 1966 and charged with providing financing for affordable housing in Massachusetts. The Agency raises capital by selling bonds and lends the proceeds to low- and moderate-income homebuyers and homeowners, and to developers who build or preserve affordable and/or mixed-income rental housing. MassHousing does not use taxpayer dollars to sustain its operations, although it administers some publicly funded programs on behalf of the Commonwealth. Since its inception, MassHousing has provided more than \$20 billion for affordable housing. For more information, visit the MassHousing website at [www.masshousing.com](http://www.masshousing.com), follow us on Twitter [@MassHousing](https://twitter.com/MassHousing), subscribe to [our blog](#), [watch us](#) on YouTube and [Like us](#) on Facebook.

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