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MassHousing Announces \$26.9 Million Loan Commitment for the First Phase of the Old Colony Redevelopment in South Boston

Blighted housing will be replaced with 116 new apartments for low-income residents

BOSTON – May 6, 2010 – MassHousing announced a \$26.9 million construction loan commitment today for Phase One of the Old Colony public housing redevelopment in South Boston.

Beacon Communities of Boston is developing the first phase of the Old Colony project, which will replace seven distressed and blighted apartment buildings with 116 new apartments for low-income families in one mid-rise building and four clusters of town homes. Phase One also includes the construction of a new 10,000-square-foot community center, which will be operated by the Boston Housing Authority (BHA).

Originally constructed in 1940, the 845-unit Old Colony development is one of the oldest federal public housing developments in the country and is currently the most distressed property in the BHA's federal portfolio.

"Old Colony has reached the end of its lifespan and is in need of a complete makeover," said MassHousing Executive Director Thomas R. Gleason. "We are pleased to partner with Beacon Communities and the City of Boston to begin the transformation of this antiquated housing community into modern, energy efficient housing for low-income residents in South Boston."

The BHA plans to use \$19.2 million in federal Capital Fund Recovery Competition grants for the first phase of the project with the goal of creating a Net Zero Energy Community.

"This redevelopment means a lot to the residents of Old Colony and the greater South Boston community," said Mayor Thomas M. Menino. "We are committed to improving families' lives. Partnerships such as this one ensure that our low-income residents can live in clean, affordable and environmentally friendly housing, while also creating needed jobs for the working men and women in the construction industry."

The developer intends to design and construct Phase One in accordance with Enterprise Green Building Criteria, LEED criteria, EPA's Energy Star and HUD Healthy Homes Guidelines. The BHA hopes to redevelop the entire Old Colony site over the next 10-15 years.

"Beacon is very excited to be working with the Boston Housing Authority, residents, the City of Boston and the various state agencies on this transformative development. We have assembled a talented team and we are looking forward to starting construction this fall," said Beacon Communities President Pamela Goodman.

The contractor will be Suffolk Construction of Boston, the architect is the Architectural Team, Inc. of Chelsea in collaboration with Beacon Concepts, and the management agent will be Beacon Residential Management of Boston.

About Beacon Communities LLC

Beacon Communities LLC is a multi-family housing development, investment and management company that develops and manages multifamily communities and presently owns or manages 34 communities that provide over 9,000 residences throughout Massachusetts, Rhode Island, Connecticut, New York, Pennsylvania, Virginia and Maryland.

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 \$10.4 billion for affordable housing. For more information, visit the MassHousing website at www.masshousing.com.

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