

PRESS RELEASE

FOR IMMEDIATE RELEASE:

Fenway Community Development Corporation (Fenway CDC) and the Schochet Companies close \$53 million Tax Credit Equity and Construction Financing for Newcastle Saranac Apartments in the South End/Lower Roxbury neighborhood in Boston.

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Boston, MA July 21, 2020 - Fenway Community Development Corporation (Fenway CDC), working in collaboration with the Schochet Companies, closed on Tax Credit Equity and construction financing for the Newcastle Saranac Apartments, a 97-unit development in the South End/Lower Roxbury neighborhood in Boston. Fenway CDC is a Boston based nonprofit organization that works to preserve the Fenway as a vibrant and diverse neighborhood by developing affordable housing, providing programs that enrich lives, and strengthening community voices.

Constructed in the late 1890s and rehabilitated into Section 13A family housing in the 1970s, the Newcastle Saranac Apartments had recently reached the maturity of the Section 13A mortgage. The expiration of these affordability restrictions put the building at risk of being converted to market rate units and threatened to displace many families who have called this property their home for generations. In January 2019, partnering with the Schochet Companies, Fenway CDC acquired the project with bridge debt financing from the Community Economic Development Assistance Corporation (CEDAC), thus preserving its affordability for current and future tenants. Funds also came from the City of Boston Department of Neighborhood Development off site Inclusionary Development Policy program. As part of the construction closing, the CEDAC debt has been repaid and the project has entered into a tax credit partnership with R4 Capital LLC to fund the rehabilitation and modernization of the two historic buildings that comprise the development. With tremendous funding and support from the City of Boston, the Massachusetts Department of Housing and Community Development (DHCD) and the Massachusetts Housing Finance Agency (MassHousing), Fenway CDC is not only able to preserve the affordability of these units in perpetuity, but also finance a significant rehabilitation scope that will make the buildings code compliant, modernized, healthier, and safer.

Many Newcastle Saranac residents receive rental subsidies from a Massachusetts Rental Voucher Program (MRVP) contract administered by the Boston Housing Authority (BHA). Fenway CDC was also able to secure additional Section 8 Project Based Vouchers (PBVs) to help even more current and future families with low incomes reside at the property.

Closing in the midst of COVID 19 did not make this already very complex transaction any easier, but the public partners for this project truly went above and beyond to make sure it could close in time to get construction safely started. "At one point I think we had someone from nearly every Department at the City working on this project – during COVID – to make sure it crossed the finish line!" said Leah Camhi, Executive Director of Fenway CDC. "I want to extend my sincerest gratitude and thanks to everyone at the City of Boston, CEDAC, MassHousing and DHCD who helped make the Newcastle Saranac Apartments project feasible. We could not have preserved and rehabbed these units without working with our public partners."

The Schochet Companies provided development services for the transaction and will continue in that role through construction. Schochet also serves as the management agent. Schochet CEO Richard Henken said, "Now, with ever more economic uncertainty coming our way we are beyond thrilled that these 97 units are preserved as affordable housing forever. These are great, beautiful properties in an outstanding location, and we are excited for the families who call them home now and will in the future."

MassHousing provided first mortgage and construction bridge financing to the Newcastle Saranac project, which is paired with Low Income Housing Tax Credit (LIHTC) equity provided by R4 Capital LLC. Additional funding sources include Federal Historic Tax Credits, State Historic Tax Credits, DHCD's Capital Improvement and Preservation Fund, the City of Boston Department of Neighborhood Development's (DND) Neighborhood Housing Trust Fund, and the Brownfields Redevelopment Fund, administered by MassDevelopment.

ABOUT FENWAY CDC

Fenway CDC is a 47-year-old non-profit Community Development Corporation (CDC) based in the Fenway neighborhood of Boston (MA). The CDC is devoted to enhancing the stability, sustainability, and diversity of the Fenway neighborhood by providing opportunities for all Fenway residents, particularly those of limited means, to thrive in the community. Development and maintenance of affordable housing is a primary component of Fenway CDC's mission. Fenway CDC currently owns over 400 rental apartments and about 650 residents call CDC-owned units their home. For more information about Fenway CDC, please visit www.fenwaycdc.org.

ABOUT THE SCHOCHET COMPANIES

The Schochet Companies is a full-service real estate development and management company founded by Jay R. Schochet more than forty years ago. Since that time the company has developed, owned, and/or managed more than 7,000 apartments, the bulk of which are affordable, and more than 600,000 square feet of retail and commercial space throughout New England and on the West Coast. Today, Schochet Companies owns and/or manages more than 5,000 apartments and 100,000 square feet of commercial space throughout New England. Headquartered in Braintree, the company employs more than 170 people. For more information about Schochet please visit www.schochet.com.

ABOUT R4 CAPITAL

R4 Capital is a nationwide affordable housing investor, lender, loan servicer, and asset manager. Founded in 2011, the firm manages more than \$3.2 billion of LIHTC equity and more than \$1.1 billion of tax-exempt debt. R4 Capital's portfolio spans 46 U.S. states and territories and consists of more than 37,000 units of affordable housing. For more information about R4 Capital, please visit www.R4cap.com.