



# Old Colony

## *Boston, MA*

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### PROJECT DESCRIPTION

This project was the substantial redevelopment of one of Boston's most distressed public housing sites, the Old Colony property in South Boston. With 22 three-story buildings and 873 apartments on a 16-acre site, Old Colony is one of the Boston Housing Authority's (BHA) largest properties, and one that has served as a valuable affordable housing resource for community residents for 70 years. The long-term redevelopment project being carried out by the BHA and MassHousing is designed to replace the out dated and deteriorated super blocks of buildings with newly built residential units in a variety of attractive and sustainable housing styles that will integrate more smoothly into the surrounding neighborhood and help revitalize the area.

### HIT ROLE

A HIT investment in 2010 financed construction of 116 units of affordable housing and a new 10,000-square-foot community center as part of the \$56.8 million first phase of the project, completed in 2011. Seven aging buildings were razed and replaced with one mid-rise structure and four clusters of town homes. With the success of the first phase, the HIT helped finance the \$61.4 million second phase, parts 2A and 2B, which consisted of 129 affordable rental units in two low-rise multifamily buildings and four clusters of townhomes. All of the housing will be affordable to households with incomes no higher than 60% of the area median income (AMI), with at least 13 units set aside for households earning 30% or less of AMI.

The HIT purchased bonds issued by MassHousing for a tax exempt construction loan in order to provide \$26.7 million in financing for the first phase. In 2012, the HIT invested \$33.5 million to finance part 2A and 2B of the project's second phase, through the purchase of MassHousing bonds for tax exempt and taxable construction loans. The investment in the Old Colony project is part of the HIT's Massachusetts Housing Initiative through which it is working closely with MassHousing to help increase affordable housing in the state.

### SOCIAL IMPACT

The Old Colony project is helping preserve and renovate a valuable affordable housing resource for residents of South Boston, improving the quality of life of residents while contributing to the revitalization of the surrounding community. The design includes more useable common space, improved pedestrian infrastructure, and a new community center that will provide expanded social services to Old Colony residents and the neighborhood.

# Project Profile

## SOCIAL IMPACT



## ABOUT THE HIT

Old Colony has been cited as the first U.S. affordable housing project to meet major national criteria and certifications for sustainability. The U.S. Department of Housing and Urban Development (HUD) awarded a \$22 million stimulus grant to the BHA for the project under a national competition that promotes “green” public housing communities. The rehabilitation work, which included replacing aged infrastructure with energy-efficient systems to substantially reduce operating costs, was carried out in accordance with LEED criteria as well as with EPA Energy Star and HUD Healthy Homes guidelines.

The first two phases of this development project represented an estimated 575 union construction jobs.

The AFL-CIO Housing Investment Trust (HIT) is a fixed-income investment company registered with the Securities and Exchange Commission. Its investors include union and public employee pension plans and labor organizations. The HIT invests primarily in government and agency insured and guaranteed multifamily mortgage-backed securities. The HIT is one of the earliest and most successful practitioners of socially responsible impact investing, with a track record beginning in 1984 that demonstrates the added value derived from union-friendly investments. The investment objective of the HIT is to provide competitive returns for its investors and to promote the collateral objectives of constructing affordable housing and generating employment for union members in the construction trades and related industries. More information is available on the HIT’s website, [aflcio-hit.com](http://aflcio-hit.com).

*\*Job and economic benefit figures in this report are calculated using an IMPLAN input-output model developed by Pinnacle Economics, Inc.*

*This document provides information about a project or projects financed by the HIT which may or may not be reflective of other financed projects or refer to an asset currently held in the HIT’s portfolio. Investors should consider the HIT’s investment objectives, risks, charges, and expenses carefully before investing. This and other information is contained in HIT’s prospectus, available at [aflcio-hit.com](http://aflcio-hit.com) or by calling 202-331-8055. The prospectus should be read carefully before investing.*

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