

Project Profile



MIXED-USE DEVELOPMENT

THE PROJECT

THE NEED

AFL-CIO HOUSING INVESTMENT TRUST

Rollins Square

Boston, MA

Rollins Square is an example of the type of high density, smart growth, urban development that creates quality housing where people of all income levels, including the formerly homeless, can live with dignity. This mixed-use development is the product of imaginative planning and solid financing know-how that tapped over a dozen sources of funds to answer the community's housing needs. Despite the large size of the project, Rollins Square is designed on a human scale that blends seamlessly into its historic surroundings.

Rollins Square is a \$43.9 million mixed-use development with mixed-income condominiums and rental apartments, as well as ground-level commercial space. Located on the corner of Washington and Rollins Streets in Boston's South End, the complex is home to 184 households, including 37 low-income tenants, with 15 units designated for persons who were formerly homeless. The complex consists of four 4- to 6- story buildings whose innovative design fits with the South End's unique architectural history. Built between 2001 and 2003, the project utilizes high quality design elements, with gardens, balconies and multiple entrances, and includes more than 5,000 square feet of commercial space and 275 underground parking spaces.

As Boston's diverse but deteriorating South End neighborhood became a prime target for redevelopment, the displacement of families living in the neighborhood was a mounting concern. It was vital to address the affordable housing needs of local residents while supporting the City's blueprint for urban redevelopment. However, the Rollins Square project faced financing difficulties. Concerns over investing in an underserved community were coupled with apprehension about the viability of the downtown housing market in the post-9/11 real estate downturn. These concerns threatened to dry up financing for the project.



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THE RESPONSE

“We did our homework and saw the neighborhood’s potential, a vision of what it could be. We felt that Rollins Square was a sound investment, and we’re very proud of how it turned out.”

—Carol Nixon, *Director, New York City Office, HIT; formerly part of the HIT investment team for Rollins Square*

Working through the project developer, the Planning Office for Urban Affairs - Archdiocese of Boston, the AFL-CIO Housing Investment Trust (HIT) agreed to underwrite the Rollins Square deal and stepped in with a construction loan to get project financing back on track in 2002. The HIT later made a permanent loan in 2004 to help finance the project’s rental housing component.

“Rollins Square is a good example of the value of HIT’s work with housing finance agencies like MassHousing. It shows how HIT financing helps create innovative mixed-use developments that benefit whole communities.”

– Karen Howarth, *Director of Housing Finance Agency Programs*

THE FINANCING

Rollins Square was the successful product of 14 different sources of city, state and private sector financing. The HIT provided a \$27.3 million construction loan. It also provided permanent financing, insured under the FHA Risk Sharing Program, through the Massachusetts Housing Finance Agency, for the project’s 37 low income rental units. The land for the complex was sold to the Rollins Square Trust by the Boston Redevelopment Authority at a discounted price to support the affordable housing components. Other financing sources included FleetBoston Financial; Fleet Development Ventures; Boston Department of Neighborhood Development; Boston Neighborhood Housing Trust; Boston Housing Authority; Massachusetts Affordable Housing Trust; MassDevelopment; the Highland Street Connection; City Linkage and Leading the Way funds; State HOME and Affordable Housing Trust funds; and Low Income Housing Tax Credit equity.



THE OUTCOME

“We were glad to see union pension money going into Rollins Square. HIT’s investment brought new life into that community and also created a lot of work for our members.”

—Charles Raso, *President/Secretary-Treasurer, International Union of Bricklayers and Allied Craftworkers, Local 3 Massachusetts*

The Rollins Square project successfully created mixed-income rental housing and homeownership opportunities for people at all income levels in Boston’s South End. The project is contributing to the area’s ongoing revitalization by serving as a cornerstone for other development. The homes and residents of Rollins Square are a tangible sign that the once-deteriorating neighborhood is now turning around and represents a solid investment opportunity. Because Rollins Square was painstakingly designed and constructed to blend with the historic character of the surrounding neighborhood, it reflects the rich history of the South End and its people, and giving residents a true sense of place and community.

“It’s good that you can be somewhere nice like this, in this area, and still afford it.”

—Earlene Bowens, *Resident*

RECOGNITION FOR ROLLINS SQUARE

Rollins Square has won wide recognition as a model for mixed-income development, raising the bar for affordable housing planning, design and construction:

- ***The John M. Clancy Award*** for Socially Responsible Housing, an award program administered by the Boston Society of Architects/AIA “to recognize and encourage excellence in the planning, design, construction and maintenance of socially responsible urban housing.”
- ***Maxwell Award of Excellence***, sponsored by the Fannie Mae Foundation, which described the project as “a marriage between social justice and sound commerce,” as well as “a recipe that works....a diverse, vibrant community that captures the spirit of Boston’s South End.”
- ***Builders Choice Grand Award*** for unique design.
- ***Charles L. Edson Tax Credit Excellence Award***, Honorable Mention from The Affordable Housing Tax Credit Coalition, presented to outstanding Low Income Housing Tax Credit (Housing Credit) developments.

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ABOUT THE HIT

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“The HIT shares our passion for creating communities where people of all income levels can live with dignity. At Rollins Square, HIT’s financing and dedicated staff helped the Planning Office for Urban Affairs carry out our ongoing social mission.”

—Lisa B. Alberghini, *Executive Director, Planning Office for Urban Affairs, Archdiocese of Boston*

The AFL-CIO Housing Investment Trust (HIT) is a fixed-income investment company registered with the Securities and Exchange Commission. It manages \$4.6 billion in assets for over 365 investors, which include union and public employee pension plans. 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, economically targeted investing, with a track record of almost 50 years 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. Since its inception, the HIT has invested over \$6.5 billion to finance more than 105,000 units of housing nationwide, generating more than 70,000 union jobs. More information is available on the HIT’s website, www.aflcio-hit.com.

“Rollins Square is the product of a marriage between social justice and sound commerce.”

—Fannie Mae Foundation’s Maxwell Awards of Excellence, 2004

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