

For Immediate Release:

## **Belveron Partners and LIHC Investment Group Conclude Multi-Year Effort to Save Affordable Homes in Boston's North End Neighborhood**

*Boston Mayor Martin J. Walsh joins residents, advocates, and owners in celebrating a new Project-Based Section 8 contract and other rent protections for Mercantile Wharf*

BOSTON (Oct. 9, 2020)—Belveron Partners, a privately held investment firm with a focus on preserving affordable and workforce housing, and LIHC Investment Group, one of the nation's largest owners and investors dedicated to the preservation of affordable housing, today announced that agreements have been reached with the Boston Housing Authority and MassHousing to preserve 60 units of affordable rental housing at Mercantile Wharf, a historic property in one of the city's most highly coveted residential areas.

Located nearby Faneuil Hall and the Boston Common, Mercantile Wharf is a 122-unit mixed-income community that was subsidized through the state's Section 13A mortgage program in the 1970s, which allowed property owners to secure low-interest loans in exchange for providing below-market rents to tenants. In 2018, the provisions governing Mercantile Wharf expired, putting it at-risk of losing its affordability since vacant units could be re-rented at market rate—or the property sold outright.

Instead of allowing that to happen, co-owners Belveron Partners and LIHC Investment Group embraced working with the building's Tenant Association and the Mass Alliance of HUD Tenants (MAHT) to come up with a creative preservation plan that protects existing very low- and low-income households and ensures these homes are reserved eligible tenants in the future.

"Over four decades ago Boston pioneered mixed income-affordable housing with Mercantile Wharf and this extraordinary history of inclusion continues today," said **Paul Odland, Founder and CEO, Belveron Partners**. "Thank you to this entire community for allowing us our part in a historic commitment to another lifetime of preserving these homes."

"Rising rents in this part of Boston have forced many longtime residents to move elsewhere, however that will not be the case at Mercantile Wharf," said **Charlie Gendron, Principal, LIHC Investment Group**. "Prioritizing the preservation of communities like Mercantile is an effective way of maintaining the mixed-income, diverse neighborhoods which made Boston the great city that it is today."

"Preserving affordability in housing is a top priority for my administration, and I am so proud that with the support of many partners involved we have been able to secure long-term housing affordability for tenants at Mercantile Wharf," said **Boston Mayor Martin J. Walsh**. "I want to thank all partners involved for their support and assistance in keeping these units affordable for residents in the North End."

"This agreement delivers a lasting positive impact on the community," said **Jeffrey Sacks, a partner in law-**



**firm Nixon Peabody's Affordable Housing and Real Estate group.** "It's gratifying to know that even when facing the challenges of the pandemic we were able to work with the City of Boston, the Boston Housing Authority, MassHousing and the Commonwealth's Department of Housing to assure that affordability will remain a key component at Mercantile Wharf and within Boston's vibrant North End."

Under the terms of the agreement, 48 very low-income households at Mercantile Wharf will be covered by a new Project-Based Section 8 contract, guaranteeing their homes will remain affordable for at least the next 20 years. These federally backed, project-based vouchers are a form of rental assistance that stays with the property so regardless of how a unit becomes vacant, it is reserved for incoming tenants earning no more than 50 percent AMI. Section 8 also limits the amount a tenant pays toward rent to 30 percent of their adjusted gross income.

Ten low-income households—those with incomes between 51 percent and 80 percent AMI—will receive tenant-based rental assistance from the Massachusetts Rental Voucher Program (MRVP), in addition to two more households that opted into the mobile MRVP program. Households with mobile MRVP vouchers will pay approximately 40 percent of adjusted gross income towards rent.

Additional supporters include:

"We are thrilled about this outcome. Not only will 60 affordable apartments be saved for our Mercantile Wharf community, but most tenants will actually win a rent reduction," said **Sandi Padellaro, President of its Tenants' Association**, which spearheaded negotiations with the owners and city agencies. "Ours is the only building in this zip code that offers any affordable housing and its preservation is critical to the stability and future of our beloved neighborhood."

"We want to thank the Mass Alliance of HUD Tenants (MAHT) for helping us organize and partner with the owners to propose creative solutions that helped save our home," **Padellaro** continued. "We also want to applaud LIHC and Charlie Gendron for their flexibility and willingness to help us achieve our vision of an affordable, mixed-income community in a prime location on Boston's North End Waterfront."

"This is a historic victory," commented **Michael Kane, Director of MAHT**, which helped the tenants organize. Since 1983, MAHT has saved more than 12,600 homes like Mercantile Wharf as affordable housing, one building at a time, through tenant organizing. "Saving affordable housing in the heart of the gentrifying North End/Waterfront strikes is a major achievement for neighborhood diversity. The Tenants' Association is to be commended for its visionary and passionate leadership in making this happen."

"This was an agreement that will ensure housing stability for dozens of families in the North End," said **BHA Administrator Kate Bennett**. "Communities like Mercantile Wharf are an essential part of the city's urban fabric, and we are proud of the role we've played in securing their long-term future here in Boston."

"This agreement ensures that longtime residents of Mercantile Wharf will continue to remain in their homes and that affordability protections remain in place for decades," said **MassHousing Executive Director Chrystal Kornegay**. "MassHousing's top priority in addressing expiring Section 13A mortgage restrictions is ensuring that at-risk residents are protected, and we thank the City of Boston for its leadership in preserving-



this important affordable housing resource."

"Preserving existing affordable housing is an important part of our work to expand housing access over the long-term and prevent the displacement of long-standing communities," said **Housing and Community Development Undersecretary Jennifer Maddox**. "We are proud of this collaboration with the Boston Housing Authority and MassHousing to preserve affordability at Mercantile Wharf. By leveraging state and federal resources, we are able to keep nearly 50 apartments affordable for the next 20 years, and provide current residents with long-term housing stability."

More than 4,200 low and moderate-income apartments throughout Massachusetts were financed in the 1970s through the state's Section 13A program.

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