



# The Carruth

## *Dorchester, MA*

### WORKFORCE HOUSING

Helping working people to live close to their jobs, in housing they can afford, is an important goal of the AFL-CIO Housing Investment Trust (HIT), particularly in high-cost urban areas like Boston. Proximity to public transportation is an added benefit. These investments not only improve the quality of life for working families but also create healthier, more vibrant communities.

### PROJECT DESCRIPTION

The Carruth project created 116 units of mixed-income housing, located next door to the Ashmont Peabody Square train station – a major transportation center for Boston’s Dorchester community. The project also offered 80 underground parking spaces for tenants and first-floor retail.

The \$48.6 million project is part of a major redevelopment plan for the neighborhood, including the redevelopment of the adjacent transportation facility by the Massachusetts Bay Transportation Authority. The neighborhood plan was designed to attract new residents and businesses while making the area pedestrian friendly. It exemplifies a growing trend in urban development known as “transit oriented development.”

“[The Carruth is] a model for transit oriented development and for the type of community involvement that benefits all.”

—Boston Mayor Thomas Menino

### HIT ROLE

Building on its working relationship with MassHousing, the state housing finance agency in Massachusetts, the HIT in 2006 purchased taxable and tax exempt bonds issued by MassHousing in the amount of \$5.1 million to provide a construction and permanent loan for The Carruth project. This included a taxable construction loan in the amount of \$2.6 million and a tax-exempt construction and permanent loan of \$2.5 million.



## SOCIAL IMPACT

Other financing for this project included 4% Federal Low Income Housing Tax Credits and Priority Development Funds; State Housing Tax Credits; State HOME funds; City HOME funds; Neighborhood Housing Trust funds; State Transit-Oriented Development Program funds; the Commercial Area Transit Node Housing Program through the Massachusetts Department of Housing and Community Development; and Massachusetts Technology Collaborative's Renewable Energy Trust funds through a joint program established with MassHousing. The total development cost of the project was \$48.6 million.

The Carruth created attractive new affordable rental apartments as well as homeownership opportunities in Boston's Dorchester community. Of the 116 units of housing, 74 were designated as affordable rental units and the remainder were market-rate condominiums. The adjacent transit station offered ready access to bus, trolley and rapid transit services, helping create a more walkable urban community that relies less on driving and supporting the city's revitalization plans for the Ashmont Peabody Square neighborhood.

The construction work generated an estimated 303 union jobs in construction and related industries.

## ABOUT THE HIT

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](http://www.aflcio-hit.com).

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