



# Press Release

## **FOR IMMEDIATE RELEASE**

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### **Brown Rudnick Closes Deal that Preserves 500 Affordable Housing Units under HUD Demonstration Disposition Program**

**Boston, MA, November 22, 2004** – Brown Rudnick, a premier international law firm, today announced that its Real Estate Group has recently completed a series of complex transactions which involved the construction and preservation of over 500 units of affordable housing in Roxbury and Dorchester. The firm served as counsel in connection with four transactions in the United States Department of Housing and Urban Development's Demonstration Disposition Program (the "Demo Dispo Program"). The Demo Dispo Program, which began in 1995, is a partnership between HUD and MassHousing, under which 1,850 units of HUD-foreclosed, multi-family affordable housing in 11 developments located in the City of Boston will be renovated or rebuilt. Ownership of the developments will ultimately be transferred to entities that are co-owned by the applicable tenant group and a local real estate body with experience in the ownership of affordable housing.

The first Demo Dispo transaction that closed involved Franklin Highlands, a 270-unit low-income housing development located in the Dorchester neighborhood of Boston. Brown Rudnick represented Franklin Highlands Limited Partnership (the entity that received ownership of the development from HUD) and Franklin Park Development Tenants Association (the tenant group). Maloney Properties, Inc. is the co-owner.

Brown Rudnick also represented Franklin Park Development Tenants Association in connection with its development and sale of the Uva Douglas Estates at Sugar Hill, a 16-unit affordable condominium development. This project is the only ownership project under the Demo Dispo Program, with all of the others being rental housing.

The third Demo Dispo transaction involved the Sonoma Maple Schuyler Apartments, a 100-unit affordable rental housing development located in the Dorchester neighborhood of Boston.



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Brown Rudnick represented Sonoma Maple Schuyler LLC (the entity that received ownership of the development from HUD), as well as Sonoma Maple & Schuyler (SMS) Tenants Association, Inc. (the tenant group). Veterans Benefits Clearinghouse Development Corporation is the co-owner.

The fourth and final Demo Dispo transaction involved Washington Heights Apartments, a 175-unit affordable rental housing development located in the Roxbury and Dorchester neighborhoods of Boston. Brown Rudnick represented Washington Heights United Circle Development LLC (the entity that obtained ownership from HUD), as well as the resident organization, Washington Heights Tenant Association, Inc. Veterans Benefits Clearinghouse Development Corporation is the co-owner.

These Demo Dispo transactions presented unique challenges. Prior to the closings of these transactions, all of the buildings underwent extensive rehabilitation, requiring Brown Rudnick to assist its clients in many aspects of the construction work. In addition, the structure of the Demo Dispo Program – whereby HUD, a government entity, transfers ownership to a low-income tenant group (that partners with a local real estate company) – made for a significant imbalance of power which gave rise to a host of issues and complicated negotiations. Finally, all of these transactions closed prior to the end of HUD's fiscal year (September 30); therefore, each of these transactions needed to be completed within a short timeframe.

## **About Brown Rudnick Berlack Israels LLP**

Brown Rudnick is a full-service, international law firm with offices in the United States and Europe. The firm's 200 attorneys provide representation across key areas of the law: Real Estate, Project and Structured Finance, Corporate & Securities, Corporate Finance, Intellectual Property, Bankruptcy & Corporate Restructuring, Energy, Government Law & Strategies, Health Care, Complex Litigation and Trusts & Estates. Combining a dedication to excellence with the implementation of sophisticated technologies, Brown Rudnick provides its clients with a breadth and depth of expertise uniquely suited to their legal needs.

The Brown Rudnick Center for the Public Interest is a measure of the Firm's strong commitment to the community and serves as an umbrella entity encompassing the Firm's pro bono legal work, charitable giving, community involvement and public interest efforts.

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