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MassHousing places \$23.6 million in affordable housing financing to Princeton Properties and Parse Capital

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Chelmsford, MA MassHousing has closed on \$23.6 million in affordable housing financing to Princeton Properties and Parse Capital. The MassHousing permanent financing supports affordability at the Mill and 3 Apartments, a 108-unit, mixed-income apartment community. The Mill and 3 Apartments transaction involved the use of recycled private activity volume cap, extending a scarce resource that allows housing developers to access tax-exempt funding for affordable rental housing.

Princeton Properties built the Mill and 3 Apartments under Chapter 40B, the state affordable housing law that extends streamlined permitting to affordable and mixed-income housing communities. Twenty-two of the 108 rental units will be affordable in perpetuity to households earning at or below 50% of the Area Median Income, which for the town is \$52,700 for a family of four.

MassHousing provided Princeton with a tax-exempt \$23.6 million permanent loan for the Mill and 3 Apartments by issuing short-term, variable-rate revenue bonds and using recycled private activity volume cap. Federal law allows state governmental agencies to issue a limited amount of tax-exempt debt in order to finance private investment in public outcomes, such as affordable housing. Federal law also allows state housing finance agencies to reuse their annual tax-exempt volume cap, in instances where a volume cap loan has been prepaid. The use of recycled volume cap allows affordable housing developers to access tax-exempt interest rates, while preserving scarce resources such as low-income housing tax credits for other projects.

MassHousing has previously financed three Princeton Property rental developments: Princeton Westford in Westford, Princeton Boston Road in Billerica and Princeton Commons in Chelmsford.

The Mill and 3 Apartments, located at 276 Mill Rd., consist of 46 one-bedroom apartments and 62 two-bedroom apartments. The general contractor was NRP Construction and the management agent is Princeton Properties Management.

In addition to financing Princeton Commons and the Mill and 3 Apartments, MassHousing has provided home mortgage loans involving \$84.4 million in financing to 541 homeowners in Chelmsford.

“As the state’s affordable housing bank, MassHousing delivers innovative financing solutions that

meet the needs of our customers and create safe, decent affordable homes for the Commonwealth's residents," said MassHousing executive director Chrystal Kornegay. "The use of recycled volume cap stretches a key housing finance resource, allowing Princeton Properties and the town of Chelmsford to create new mixed-income housing for the Merrimack Valley's working families, with homes that will remain affordable in perpetuity. MassHousing is one of only a handful of housing finance agencies in the United States to have executed a complex financing transaction like this."

"Together with Parse Capital and the NRP Corp., we are excited to have delivered outstanding product into the Route 3 corridor where these apartment homes have been met with tremendous market acceptance. We are delighted to have worked with our friends at MassHousing, who once again have delivered effectively and effortlessly," said Andrew Chaban, CEO of Princeton Properties.

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