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MassHousing and AFL-CIO HIT/Building America CDE, Inc. provides \$46.8 million for 225 Centre Street development

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Financing from MassHousing, New Market Tax Credits and union pension funds will provide \$46.8 million in capital to help construct the 225 Centre St. development in Jamaica Plain, a project that will create 103 new apartments as well as retail and commercial space in a low-income neighborhood.

MassHousing is providing \$31.4 million in loans for the development. The AFL-CIO Housing Investment Trust (HIT), and the HIT's subsidiary, Building America CDE, Inc., are providing a combined \$15.4 million in financing. The project is the first phase of the \$250 million redevelopment of Jackson Sq.

Located at the intersection of Centre St. and Columbus Ave., the \$53.2 million project is being developed by a joint venture between two Boston companies, Mitchell Properties and The Community Builders, Inc. Construction began in December and is expected to be completed by April 2013. The project will create approximately 300 union construction jobs.

Mayor Thomas Menino called the 225 Centre St. development "an important investment in Jamaica Plain," adding that it "increases access to affordable housing for neighborhood residents, puts people to work, and will be an important contribution to the vitality of Jackson Sq."

"This project is a major component in the redevelopment of Jackson Square," said Thomas Gleason, MassHousing's executive director. "This mixed-income, mixed-use, transit-oriented housing community will be the foundation for redeveloping 11 acres of public and private land into more than a dozen buildings containing housing, retail and office space, as well as green and recreational areas for Jamaica Plain residents."

MassHousing recently closed a \$15.9 million construction and permanent loan, a \$9.9 million construction bridge loan, and a \$4.6 million Priority Development Fund loan. Another \$1 million comes from the Affordable Housing Trust Fund, which is jointly managed by MassHousing and the state Department of Housing and Community Development.

The HIT is purchasing \$9.9 million in MassHousing taxable and tax-exempt bonds to help finance the residential component of the new building. Thirty-five of the 103 rental units will be affordable to lower-income households. The project also includes almost 17,000 s/f of first floor commercial space and parking, which will be partially financed through \$5.5 million of New Markets Tax Credits (NMTCs) provided by Building America.

MassHousing is also the administrator of a \$2.3 million Transit-Oriented Development grant from the state Executive Office of Housing and Economic Development. The grant will cover the cost of the parking and pedestrian improvements for the first-floor commercial and retail component. Significant funding for the project also comes from the city of Boston, the Commonwealth of Massachusetts, and investors in state and federal tax credits.

The project is also receiving approximately \$7 million in tax credit equity through the Massachusetts Housing Investment Corporation.

"Union pension capital invested by the HIT and tax credits allocated by Building America will help transform the Jackson Square neighborhood into a vibrant and sustainable community, where families of all income levels can live and work and where businesses can thrive," said Eric W. Price, CEO of Building America and HIT executive vice president.

The project is part of the HIT's Massachusetts Housing Initiative, through which the HIT is working with MassHousing to increase the availability of affordable housing in the state. Since launching this initiative in 2007, the HIT has invested \$197 million in Massachusetts to build or preserve over 2,400 housing units, 93% of which are affordable to low-income families. These HIT-financed projects have generated approximately 2,475 union construction jobs.

Martin Walsh, secretary-treasurer of the Metropolitan District Building and Construction Trades Council in Boston, cited the importance of the construction jobs. "We are glad that the site preparation work has begun at 225 Centre Street," he said. "As the construction activity ramps up this spring, this project is going to provide good jobs for many more of our members at a time when we really need the work."

Developer Bart Mitchell, president and CEO of The Community Builders, Inc., commended the team effort that has gone into the project. "The Community Builders is proud to be working with MassHousing, the HIT, and all our partners to create a critical mass of high quality housing and new commercial space at 225 Centre St.," he said. "The project took incredible commitment, creativity, and expertise of all parties. At Jackson Sq., we are reconnecting two vibrant Boston neighborhoods that have been separated since the 1970s."

The overall Jackson Sq. redevelopment has been designated a Silver Certified Plan by the U.S. Green Building Council and is the first project in the Northeast to receive that designation as part of the building council's LEED Neighborhood Development pilot program. 225 Centre Street's residential component will be LEED Certifiable and Energy Star compliant. Envisioned as a sustainable mixed-income, mixed-use development, 225 Centre St. is also a model of transit-oriented development due to its strategic location adjacent to the Jackson Square MBTA station.

The 225 Centre St. contractor is Walsh Brothers Inc., and the architect is ADD Inc. The property manager will be Peabody Management.