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CEDAC and LISC lend \$8.5m to The Neighborhood Developers

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Chelsea, MA The Community Economic Development Assistance Corp. (CEDAC) partnered with Local Initiatives Support Corp.(LISC) and its Equitable Transit-Oriented Development Accelerator Fund (ETODAF), to lend a total of \$8.5 million in acquisition financing to The Neighborhood Developers, Inc. (TND) for the 181 Chestnut St. project. In December of 2019, TND purchased the existing 32-unit rental property located in the former St. Stanislaus convent and school. TND's acquisition of the property will maintain affordable housing options in a neighborhood close to public transportation and convenient to a range of services and shopping.

"This project is an example of 'naturally occurring affordable housing,' or NOAH," said CEDAC's executive director Roger Herzog. "A sale to another owner could have resulted in increased rents and displacement of the existing residents – some of whom may be low-income – because there were no existing affordability restrictions. CEDAC is pleased to collaborate with LISC and TND to support this project, which will maintain affordability for residents in Chelsea for years to come."

"With rapidly rising rents, Chelsea needs additional deed-restricted, affordable housing to reduce displacement and ensure equitable access to amenities," said TND's executive director Rafael Mares. "Based on prevailing rents, a household must earn \$69,000 to comfortably afford a one-bedroom unit in Chelsea, yet more than 50% of households in our city do not meet this income threshold."

The \$8.5 million in acquisition financing includes \$1.3 million in low-cost capital from ETODAF. Created by LISC Boston, The Boston Foundation, and the Hyams Foundation, this fund encourages development and preservation of equitable, mixed-use, affordable housing that revitalizes neighborhoods while keeping long-time residents in their communities.

"LISC is pleased to invest in the acquisition of 181 Chestnut St. with CEDAC, since TND's stewardship will allow current residents to remain in their affordable homes in Chelsea, countering the intensifying trend of displacement in this and other communities," said Karen Kelleher, executive director of LISC Boston. "This investment by LISC's Equitable Transit-Oriented Development Accelerator Fund was possible because of a recent infusion of capital from Partners HealthCare. Massachusetts General Hospital, a founding member of Partners, operates a neighborhood health center within walking distance of the property. Partners' investment showcases the ways health and

housing partnerships can positively impact individual and community health outcomes.”

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