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MassHousing closes on \$2.8 million in financing for workforce housing to The Community Builders

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Northampton, MA MassHousing has closed on \$2.8 million in affordable workforce housing financing to The Community Builders (TCB) for the ongoing construction of the 12-unit 35 Village Hill Rd. Valley Community Development Corp. is the project co-sponsor.

The new housing, which is being developed on the site of the former Northampton State Hospital, will feature 10 workforce housing apartments for moderate-income households and two deeply affordable units for clients of the Massachusetts Department of Mental Health (DMH).

“MassHousing is pleased to support The Community Builders and Valley Community Development in their transformation of a vacant lot into new homes for working households and residents in need,” said MassHousing executive director Chrystal Kornegay. “We’re happy that these new homes will serve working and disabled households for many years into the future.”

“The Community Builders is excited to once again be expanding housing opportunities at Village Hill in Northampton. Our organization is committed to building strong communities where all people can thrive. We are grateful to MassHousing and our other state and local partners who help us make this work possible” said TCB director of development Rachana Crowley.

“Valley Community Development is proud to be part of increasing the economic diversity of housing options at Village Hill,” said Valley’s executive director Joanne Campbell.

The 12 new apartments will be contained in one building, which will also have first-floor commercial

space. Ten of the apartments at 35 Village Hill Rd. will be workforce housing units affordable to moderate-income households. Six of the workforce housing units will be deed-restricted for households earning at or below 120% of the Area Media Income (AMI), and four will be workforce units for households earning at or below 80% of AMI. Additionally, two units will be deeply affordable for DMH clients and will be supported by federal Section 8 project-based vouchers. The AMI for Northampton is \$76,000 for a household of four.

There will be two studio apartments, six one-bedroom apartments and four two-bedroom apartments. Construction is expected to be completed in September.

MassHousing is providing TCB with \$1.4 million in permanent financing, and \$1.4 million in workforce housing funding from the agency's Workforce Housing Initiative. In addition to the MassHousing financing, the Massachusetts Department of Housing and Community Development (DHCD) is providing the project-based vouchers and \$1.5 million in direct support. The project also received \$1.3 million in funding through the Community Scale Housing Initiative (CSHI), a joint initiative of DHCD and MassHousing that funds smaller-scale affordable rental developments.

The Community Economic Development Assistance Corporation (CEDAC) is providing \$360,000 in financing, the City of Northampton contributed \$200,000 in local Community Preservation Act funding and Citizens Bank is providing \$2.5 million in construction financing.

35 Village Hill Road advances the Baker-Polito Administration's goal of creating up to 1,000 new workforce housing units affordable to middle-income households through MassHousing's Workforce Housing Initiative. Since the inception of the initiative in 2016, MassHousing has committed or closed workforce housing financing totaling \$98.2 million, to 45 projects, located in 21 cities and towns. To date, the Workforce Housing Initiative has advanced the development of 4,030 housing units across a range of incomes, including 1,096 workforce housing units.

The general contractor is Western Builders. The architect is Davis Square Architects and the management agent is TCB.

MassHousing has financed five rental housing communities in Northampton totaling 642 units of housing with an overall original loan amount of \$33.4 million and the Agency has also provided home mortgage loans to 427 homebuyers and homeowners with an original purchase principal balance of \$31.2 million.