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Boston Housing Authority, WinnCompanies and MassHousing celebrate opening of 52-unit project

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Caption

East Boston, MA Mayor Kim Janey joined the officials from the Boston Housing Authority (BHA), WinnCompanies and MassHousing to formally open a \$30.2 million development project that delivers 52 units of both rental and homeownership opportunities to households of all incomes along the waterfront.

The WinnDevelopment project demolished 20 units of obsolete public housing at the BHA property formerly known as Clippership Apartments to build Harbor125 Apartments, offering 22 modern apartment homes for low- and extremely low-income households, and Harborwalk Residences, featuring 30 condominiums to be sold to middle-income and market-rate households.

“The Clippership Apartments, housing 22 rental units, will be welcoming back many families who were living here before the development plans were fully realized. Now those families are returning to newly constructed high quality modern living spaces,” said Mayor Janey. “I am proud to be a part of powerful investment in the people and the community of East Boston.”

Ten original public housing households who previously lived at the Clippership property have returned to new modern apartments at Harbor125. In addition, of the 30 new condominiums at Harborwalk Residences, 14 will be sold to middle-income homebuyers at subsidized prices. More than 850 homebuyers have applied and qualified for an upcoming lottery to purchase the 14 new homes at dramatically subsidized prices.

“These new homes will be an essential part of the East Boston neighborhood, securing Clippership’s affordable housing promise for the future,” said BHA administrator Kate Bennett. “This new development ensures that low-income families can continue to have access to the East Boston waterfront and enjoy a better quality of life in new modern homes.”

Located one block from the MBTA Blue Line station at Maverick, the one-acre property provides the neighborhood with a quarter-mile view corridor to the waterfront and pedestrian access to the Harborwalk. The new, two-building development includes 3,384 s/f of ground-level retail space, a management office, a bicycle storage room, and a 1,000 s/f community room for use by residents and East Boston groups.

“This project is a great example of a public-private partnership to preserve and expand affordable housing while also creating new ownership opportunities for working households who otherwise would be priced out of the market,” said Gilbert Winn, CEO of WinnCompanies. “By replacing 20 units of aging housing with 52 modern homes available at the entire range of incomes, this development succeeds in making the waterfront truly a place for all.”

Construction for the project created 500 jobs with minorities, women, and local workers providing 50% of labor hours. Financing sources included Inclusionary Development Program funding facilitated by the Boston Planning and Development Agency and contributed by Lendlease, Inc., as a result of the company’s Clippership Wharf apartment and condominium project located next door.

MassHousing, the independent, quasi-public agency that provides financing for affordable housing in Massachusetts, provided a \$6.6 million permanent mortgage and \$3.6 million in bridge loan financing for the development of Harbor125 Apartments and \$1 million from the agency’s Workforce Housing Initiative to subsidize the cost of the 14 workforce condos at Harborwalk Residences.

“By transforming the former Clippership Apartments into a dynamic, new mixed-income

development, this project is preserving much-needed affordable rental housing and creating new homeownership opportunities for first-time homebuyers,” said MassHousing executive director Chrystal Kornegay. “We congratulate WinnCompanies and the Boston Housing Authority for reaching this milestone. MassHousing is pleased to be a partner in this important work.”

The project is part of the BHA’s continuing effort to preserve, expand and modernize public housing in the city of Boston. The agency kicked off the development process in April 2016 and owns the ground lease for the Harbor 125 site. WinnCompanies owns Harbor125 Apartments building and developed Harborwalk Residences with a deed restriction requiring the 14 middle-income homeownership condos to remain affordable.

The 22 rental apartments at Harbor125, built at a cost of \$16 million, include one one-bedroom unit, six two-bedroom units, 10 three-bedroom units and five four-bedroom units. The apartments are supported by federal Section 8 project-based vouchers administered by the BHA. Three of the units are for households earning at or below 30% of the Area Median Income (AMI) and 19 units for households earning at or below 60% of AMI. The AMI for Boston is \$120,800 for a family of four.

Bank of America provided an \$11.6 million construction loan for Harbor125 Apartments and served as the Low-Income Housing Tax Credit investor and Massachusetts Brownfield Tax Credit investor.

“Bank of America is pleased to help create much-needed affordable housing for families in East Boston,” said Miceal Chamberlain, president, Bank of America Massachusetts. “Harbor125 Apartments is a great example of the impact that public-private partnerships can make to support the communities where we live and work.”

The 30 condominiums, built at a cost of \$14.2 million, provide unique homeownership opportunities, with the revenue from the sale of the 16 market-rate units helping to make the 14 remaining condos affordable for a range of incomes not otherwise being served by recent waterfront development.

Of the 14 condos to be sold through the lottery process, five one-bedroom units are for households earning at or below 80% of AMI (\$76,200); five one-bedroom units are for households earning at or below 120% (\$114,250); one two-bedroom unit is for a household earning at or below 80% of AMI (\$85,700); and one two-bedroom unit at or below 120% AMI (\$128,550), and two three-bedroom condos are set aside for households earning at or below 120% of AMI (\$142,800).

Enterprise Bank, based in Lowell, provided the \$8.6 million construction loan for the condominium portion of the project.

“Projects such as Harborwalk Residences bring vibrancy to our communities,” said executive vice president Steven Larochelle, chief banking officer for Enterprise Bank. “We are very pleased to have been able to work with the team at WinnDevelopment on this project,” said executive vice president Marlene Hoyt, construction lending director for Enterprise Bank: “Home ownership is an important cornerstone of the American Dream and we congratulate WinnDevelopment and its partners on the completion of this vital construction project that expands the opportunity for income-restricted and

market rate condominium home ownership in Boston.”

Of the 16 market-rate condos, 13 are under agreement for sale. There are five one-bedroom units, 10 two-bedroom units and one three-bedroom unit.

Additional funding was provided by Bank of America and the Federal Home Loan Bank of Atlanta through the competitive Affordable Housing Program. BlueHub Capital provided subordinate construction and permanent financing to both projects.

“Developing this site presented its fair share of challenges, including its long history of waterfront industrial uses and its proximity to Boston Harbor,” said WinnDevelopment senior project director Andrew Colbert, who oversaw the effort. “This development fully remediated contaminated soil and building debris and raised the height of the site several feet to make the community resilient to sea level rise. Overcoming these unique design and construction features added cost and time to the project but ultimately ensured that these high-quality, mixed income homes will be here for decades to come.”

The extensive environmental remediation work during demolition and site preparation delayed construction by four months. In addition, construction was paused for two months due to the COVID-19 pandemic. Both of the new buildings achieved LEED Gold certification through U.S. Green Building Council’s LEED for Homes (Version 4) program, including Energy Star certification and EPA’s Indoor airPLUS label for high indoor air quality.

Cranshaw Construction of Newton, MA, served as the general contractor for the project, working off designs by The Architectural Team of Chelsea, MA. The Harbor125 property is managed by WinnResidential, the property management arm of WinnCompanies. BRIGS, a property management company based in Boston, manages Harborwalk Residences for the homeowner’s association.

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