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Capstone Communities LLC and MPZ Development LLC begin 57-unit McElwain School Apartments - a \$28.9 million development in Bridgewater, MA

November 05, 2021 - Owners Developers & Managers



Shown (from left) are: M. Gondek, C. Ziegler, M. Kennealy, F. Chase, M. Pacheco, K. Polito, M. Zahler, J. Korb, M. Teden, K. Williams, K. McGilvray, Jennifer Tamarkin (Capstone Communities LLC).

Bridgewater, MA Capstone Communities LLC and MPZ Development LLC celebrated the groundbreaking of McElwain School Apartments, a mixed-income 57-unit apartment community located on Main St. The groundbreaking ceremony was held on October 12th at 250 Main St. McElwain School Apartments will serve the hard-working families and individuals who are looking for high quality and mixed-income housing in town. This type of mixed-income project is the first of its kind in the town offering multiple types of affordable housing options in both new construction and rehabilitated buildings.

McElwain School Apartments provides 57 apartment homes with 13 one-bedroom units, 36 two-bedroom units, and eight three-bedroom units. Six apartments are rented to households at market rates. 42 apartments are rented to households earning no more than 60% of area median income (\$42,000-\$64,740 depending on household size), three apartments are rented to households earning no more than 50% of the area median income (\$35,000-\$53,950), and six apartments are being rented to households earning no more than 30% of area median income (\$21,000-\$32,370).

The \$28.9 million development is located along Main St./Rte. 28 outside Bridgewater Center. The development is not far from the Bridgewater Town Green and a short walk to several local restaurants including the Juice Mill, Restoration Coffee, and the Greyhound Tavern. The McElwain School Apartments' name pays homage to William H. McElwain (1867-1908), the founder of the William H. McElwain Shoe Company, a shoe manufacturer who was one of the major employers in Bridgewater at the turn of the 20th century.

The Town through its Community Preservation Act provided \$1.345 million in loans for the project.

"In 2017 Matt Zahler and Jason Korb had an ambitious vision to take an abandoned public school and make its hallways hum with activity again," said Michael Dutton, town manager. "The Baker-Polito administration recognized that vision and together with Capstone Communities LLC and MPZ Development LLC, made it happen. The people of Bridgewater also saw the wisdom of creating quality housing for those who are challenged to find adequate housing in this market and granted over \$1 million in Community Preservation Act funds to get this project done. We are thrilled to see life in this old building. And we are thrilled with the team Matt and Jason have put together to get it done."

Massachusetts Housing Investment Corporation (MHIC) issued a \$14.4 million construction bridge loan; the loan was also participated in by The Life Initiative. In addition to the construction loan, MHIC also provided \$10.6 million in federal tax credit equity, solar equity, and federal historic tax credit equity for the project.

The Cape Cod Five Savings bank purchased the project's State Low Income Housing Tax Credits, and the New York Life Insurance Company purchased the project's State Historic Tax Credits. The Community Economic Development Assistance Corporation (CEDAC) will provide \$600,000 in financing for the Project. The Department of Housing and Community Development (DHCD) is providing the State and Federal Low Income Housing Tax credits and \$6.4 million in loans for the development. The Massachusetts Housing Partnership (MHP) is providing a \$5.3 million permanent loan for the project.

"Our administration is excited for the groundbreaking of yet another project that will result in new, needed, high-quality, affordable housing units that meet the needs of Massachusetts families of a wide range of incomes," said Lt. governor Karyn Polito. "Since the start of our administration, we've made affordable housing a top priority, and the McElwain School Apartments represent the best of efforts to be creative and reuse a historic property, which will breathe new life into an important part of town, while bringing new and desperately needed affordable housing to the community."

"Producing more housing of all types has been a key area of focus since the start of the Baker-Polito Administration, and I want to congratulate the development team, the town of Bridgewater, and the project's financing partners for the collaborative and innovative approach they took to get to this point today," said Housing and Economic Development secretary Mike Kennealy. "We used the term 'Housing Crisis' long before the COVID-19 pandemic and the public health emergency put on full

display the consequences of an inadequate housing supply. But thanks to projects like this, we continue to make progress toward addressing this crisis through new housing opportunities that support the Commonwealth's families and our economy.”

“The Life Insurance Community Investment Initiative (the Life Initiative) is delighted to have been a partner with Jason Korb and Mathieu (Matt) Zahler in helping bring the redevelopment of the McElwain School to fruition.” said Michael Gondek, vice president of TLI. “We’d particularly like to congratulate the Town of Bridgewater for its noteworthy financial support for the 57 unit of affordable rental housing to be produced by the adaptive reuse of the former school, and the construction on the site.”

“CEDAC is pleased to join our state and local funding partners to celebrate the groundbreaking of this important new multifamily housing in Bridgewater, said Roger Herzog, CEDAC executive director. “We congratulate developers Jason Korb and Mathieu Zahler and commend them for the inclusive design to provide accessible housing units to support people with mobility impairments to live safe, independent lives in this community setting.”

“MassHousing is pleased to be part of this transformative effort to take an underutilized school property and create 57 new apartment homes for households with a range of incomes who will be able to live affordably in Bridgewater,” said MassHousing executive director Chrystal Kornegay. “With strong support from the town of Bridgewater, the development team is going to foster stable housing and economic opportunity for the individuals and families who will live at the McElwain School.”

“We congratulate Capstone Communities and MPZ Development for executing their transformative vision to turn a vacant school, three-family house, and an overgrown lot into a vibrant residential community,” said Kathy McGilvray, MHIC director of investment. “The McElwain School Apartments is a great example of pairing adaptive reuse of historic buildings with energy-efficient new construction. The development also represents the first time Bridgewater has used tax credit financing. MHIC is pleased to have been able to provide a comprehensive debt and equity financing package for the project.”

“Congratulations to Jason Korb and Capstone Communities, Matt Zahler of MPZ Development and the Town of Bridgewater for getting started on this exciting development,” said Clark Ziegler, executive director of the Massachusetts Housing Partnership. “As a mission-based lender, we strive to support housing like this, housing with strong local support and developers who work with the community to preserve a local landmark while adding much-needed affordable housing for individuals and families.”

“I am very pleased to have been invited to speak at the groundbreaking for this historic initiative to establish 57 new affordable housing units at the McElwain School in the Town of Bridgewater,” said dean of the Massachusetts senate Marc Pacheco (D-Taunton). “This new housing initiative will refurbish and renovate the long-vacant property with updates designed to preserve the structure’s architectural style and complement the historic quality of the surrounding area. Many thanks to the

developer and to the Town of Bridgewater for utilizing federal and state housing support that will minimize the local resources needed to achieve impressive progress that will benefit the community.”

Jason Korb, principal of Capstone Communities LLC and Mathieu Zahler, Principal of MPZ Development LLC said, “We are excited to officially break ground on McElwain School Apartments, which will provide urgently needed mixed-income housing for the Bridgewater community. Over the past four years, we worked tirelessly on the financing, design and construction of McElwain School Apartments and we are proud to provide such high-quality housing at rent levels that hard-working families can afford. We are especially thankful to the Town of Bridgewater and all the other public and private lenders that made the McElwain School Apartments possible.”

In addition to Jason Korb and Mathieu P. Zahler, speakers at the opening included:

Kimberly Williams, assistant town manager, town of Bridgewater

Fred Chase, town council vice president, town of Bridgewater

Honorable lieutenant governor, Karyn Polito, Commonwealth of Massachusetts

Honorable senator Marc Pacheco, Massachusetts State Senate Dean, Massachusetts Senate

Honorable Michael Kennealy, Secretary of Housing and Economic Development, Commonwealth of Massachusetts

Clark Ziegler, executive director, Massachusetts Housing Partnership

Mark Teden, vice president of multifamily housing, MassHousing

Kathy McGilvray, director of investment, Massachusetts Housing Investment Corp.

Michael Gondek, vice president, The Life Initiative