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MassDevelopment issues \$37.89 million tax-exempt bond on behalf of BC Baystate Place LLC for Springfield property

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Springfield, MA MassDevelopment has issued a \$37.89 million tax-exempt bond and a \$988,891 taxable bond on behalf of BC Baystate Place LLC, an affiliate of Beacon Communities LLC, which is using proceeds to buy, renovate, and equip the Baystate Place apartment complex located at 414 Chestnut St. in the city's Memorial Sq. neighborhood. Built in 1974, Baystate Place contains 346 mixed-income rental housing units spread across three buildings that are eight to 13 stories tall. As part of the project, Beacon Communities will convert 63 units from market rate to affordable. Upon completion of the project, 35 units will be rented to families earning up to 30% of the area median income (\$25,230 for a four-person household), 289 units will be rented to families earning up to 60% of the area median income (\$50,460 for a four-person household) and 22 units will be rented at market rate. CitiBank purchased the bond.

"The Baker-Polito Administration believes that preserving and expanding affordable housing in Gateway Cities and urban centers is crucial to addressing our commonwealth's housing crisis and stimulating long-term economic prosperity," said housing and economic development secretary Mike Kennealy, who serves as chair of MassDevelopment's Board of Directors. "MassDevelopment's bond financing is a key tool in bringing developers, municipalities, and financial institutions together to make these projects happen."

"MassDevelopment is pleased to continue our years-long partnership with Beacon Communities LLC as it undertakes this major investment for residents of Baystate Place in Springfield," said MassDevelopment president and CEO Dan Rivera. "We are proud that this project includes extensive renovations to preserve hundreds of housing units, and that Beacon has committed to converting an additional 63 apartments to be affordable for families earning a range of incomes."

Renovations to the complex will include replacing kitchens and bathrooms; installing new flooring, paint, and windows; reconfiguring and upgrading common areas; expanding the wellness center; renovating community and fitness rooms; relocating the management office and store; upgrading the courtyard; installing a new handicap ramp; upgrading and replacing building systems, including the elevators; resurfacing parking lots; and completing improvements to roofs, heating and cooling, ventilation, fire safety, plumbing stacks, water and waste lines, intercom and security systems, main breakers, switchgear, and unit electrical loan centers.

In addition to the tax-exempt bond, MassDevelopment assisted the Massachusetts Department of Housing and Community Development with the approval of federal low-income housing tax credits,

which will provide approximately \$27 million in equity for the project.

“Massachusetts has a strong history of developing affordable housing, and we continue that commitment by preserving and expanding our existing portfolio. In addition to substantial interior and exterior improvements, Beacon Communities will increase affordability at Baystate Place,” said housing and community development undersecretary Jennifer Maddox. “We are proud to work with thoughtful and dedicated partners like MassDevelopment and Beacon Communities to provide affordable housing opportunities to households across Massachusetts.”

“I want to thank MassDevelopment president and CEO Dan Rivera and his team, secretary of housing and economic development Mike Kennealy and governor Charlie Baker and lieutenant governor Karyn Polito for their continued belief and investment in the city of Springfield,” said mayor Domenic Sarno. “This much-needed investment and partnership with Beacon Communities at Baystate Place on Chestnut St. will greatly benefit our residents in the Memorial Sq. neighborhood. The renovations will improve almost every aspect of these buildings, from replacing kitchens and bathrooms to upgrading common areas and the fitness room and installing a new handicap ramp, and roof and ventilation work. This initiative complements my administration’s commitment to improving the quality of life for our residents and improving our housing stock for all of our residents.”

Beacon Communities LLC is a privately owned real estate firm that develops, acquires, invests in, and manages a wide range of multifamily housing.

The company also invests in and purchases affordable housing companies and portfolios of multifamily developments. Beacon owns and manages approximately 19,000 apartments including affordable housing, market-rate housing, and mixed-income housing. Beacon developments range from new construction to historic adaptive reuse to the renovation of existing housing.

“We are thrilled to preserve and renovate this critical affordable housing asset that has served so many households in Springfield for decades,” said Beacon Communities CEO Dara Kovel. “We thank MassDevelopment, Citibank, MHIC, DHCD, and the City of Springfield for their support and expertise in closing this complex transaction.”

This is the eighth tax-exempt bond MassDevelopment has issued on behalf of Beacon Communities, including a \$40 million tax-exempt bond in 2015 to help Beacon buy and renovate the 276-unit affordable housing community Mandela Homes in Boston’s South End; more than \$70.8 million in tax-exempt bonds in 2013 to help Beacon preserve 621 units of affordable housing by buying and renovating Edmands House in Framingham and Colonial Estates in Springfield; and a \$10.17 million tax-exempt bond in 2009 to help Beacon to buy and renovate the 90-unit affordable housing community Tammy Brook Apartments in Weymouth.

MassDevelopment, the state’s development finance agency and land bank, works with businesses, nonprofits, banks, and communities to stimulate economic growth across the Commonwealth. During FY2021, MassDevelopment financed or managed 416 projects generating investment of

more than \$1.86 billion in the Massachusetts economy. These projects are estimated to create or support 6,578 jobs and build or preserve 1,909 housing units.

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