



CELEBRATING  
55 YEARS

# nerej

## **MassHousing closes \$26.9m in financing to create 87 new mixed-income apartments at 608 Broadway in Lawrence, MA**

January 14, 2022 - Financial Digest



Lawrence, MA MassHousing has closed on \$26.9 million in affordable housing financing to Trinity Financial to support the first phase of the redevelopment of the historic Marriner Mill complex. The \$46.8 million mixed-income project will repurpose a former industrial building into 87 new apartment homes, including 21 workforce housing units, and advance the city's redevelopment of the 34-acre Arlington Mills Smart Growth Overlay District. Originally constructed by the Arlington Mills Company for wool processing, the 608 Broadway building was acquired by the Malden Mills Company in the 1950s when it relocated its operations to Lawrence from its namesake of Malden, Mass. Malden Mills was best known for inventing fleece (later trademarked as Polartec), a material that was revolutionary at the time of its introduction in 1981 because unlike wool, it was warm, fast-wicking, and lightweight. 608 Broadway is the third residential project in the multiphase Arlington Mills redevelopment. The district is zoned for up to 1,000 new residential units under the state's smart growth housing statute, Chapter 40R.

"MassHousing is excited to be a partner in advancing this dynamic project, which will create much-needed housing for families in Lawrence," said MassHousing executive director Chrystal

Kornegay. “We congratulate Trinity Financial for their work transforming a portion of a vacant, blighted mill building into a brand-new rental community for families of all means, offering them quality housing and economic opportunity.”

“We are thrilled to be undertaking another transformative, adaptive reuse project with MassHousing,” said Dan Drazen, vice president, development at Trinity Financial. “The 608 Broadway project will breathe new life into a historically significant asset and build on the momentum generated by our 102-unit Arlington Point project, which was completed in 2019 with financing also provided by MassHousing.”

MassHousing is providing Trinity Financial with a \$2.3 million permanent loan, \$22.5 million in bridge loan financing, and \$2.1 million in funding from the Agency’s Workforce Housing Initiative.

The Massachusetts Department of Housing and Community Development (DHCD) committed state and federal Low-Income Housing Tax Credits to the redevelopment, which will generate \$26.1 million in equity financing for the project. Other financing sources include \$7.9 million in federal Historic Tax Credit equity, \$2.4 million in state Historic Tax Credit equity, \$2.4 million of Housing Stabilization Funding from DHCD, \$2.4 million from the Affordable Housing Trust Fund, which MassHousing manages on behalf of DHCD, and \$200,000 in HOME funding from the city of Lawrence. Red Stone Equity Partners is the tax credit syndicator and TD Bank is both the construction lender and the tax credit investor. Boston-based Architectural Heritage Foundation is the project’s historic consultant and non-profit lender for the state Low-Income Housing Tax Credits and the state Historic Tax Credits.

Of the 87 units, 17 will be restricted to lower-income households earning at or below 30 percent of the Area Median Income (AMI), 49 units will be affordable to households earning at or below 60 percent of AMI, and 21 apartments will be workforce housing units for households earning up to 80 percent of AMI. The AMI for Lawrence is \$105,400 for a household of four.

There will be 27 one-bedroom apartments, 40 two-bedroom apartments, and 20 three-bedroom apartments. There will also be a community room/lounge, an indoor kids’ play space and a fitness center.

608 Broadway represents roughly a quarter of the 450,000 s/f Marriner Mill building. Lawrence Community Works intends to redevelop the balance of the five-story historic mill building that dates to 1896 into a mixed-use project. Trinity’s project will include the replacement of all existing windows with new, energy-efficient windows that match the original windows’ sight lines. The interior will be restored to reveal the original structural columns and beams, and the building’s existing masonry façade will be repointed and repaired. All the building’s water, sewer, electrical and HVAC infrastructure will be replaced. Trinity’s plans for 608 Broadway also call for installing solar panels on the building’s roof to offset the demand the project places on the electrical grid.

“Red Stone Equity Partners is pleased to continue our long-standing partnership with Trinity Financial by providing over \$36 million in tax credit equity to the revitalization of the Marriner Mill

complex. We look forward to continuing our investment in the Lawrence community by providing this vital affordable housing for the families of Lawrence,” said Rob Vest, Red Stone Equity principal and CIO.

The development of 608 Broadway advances the Baker-Polito Administration’s goal of creating up to 1,000 new workforce housing units affordable to middle-income households through the MassHousing Workforce Housing Initiative. Since the inception of the initiative in 2016, MassHousing has committed or closed workforce housing financing totaling \$133 million, to 65 projects, located in 25 cities and towns, and advanced the development of 5,226 housing units across a range of incomes, including 1,443 middle-income workforce units.

“We are excited to collaborate with Trinity Financial on another meaningful project that retains the history of the city of Lawrence while meeting today’s dire need for affordable housing in the community. The redevelopment of the former Marriner Mill complex is a great reuse of the property and we look forward to seeing residents move into their new homes” said Nathan Bondini, relationship manager, TD Bank.

The general contractor will be Aberthaw Construction Company. The architect is ICON Architecture, and the management agent will be Trinity Management LLC. Construction is expected to be completed in the summer of 2023.

MassHousing has financed 13 rental housing communities in Lawrence, involving 1,507 housing units, and an original loan amount of \$178.3 million. The Agency has also provided \$151.7 million in financing to 1,530 Lawrence homebuyers or homeowners.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540