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MassDevelopment issues \$25.35m on behalf of Chelsea Legacy Portfolio

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Photos of affordable housing properties to be renovated by The Neighborhood Developers, Inc., courtesy of the organization

Chelsea, MA MassDevelopment has issued a \$25.35 million tax-exempt bond on behalf of Chelsea Legacy Portfolio LLC, an affiliate of The Neighborhood Developers, Inc., which will use proceeds to buy, renovate, and preserve 116 units of affordable rental housing located in 21 buildings in the city. The organization will complete a range of renovations to the properties, built between the 1840s and 1910s, including replacing most roofs and mechanical systems, adding sprinkler systems, making structural repairs, and upgrading kitchens and bathrooms in select units. By purchasing these properties from various owners, The Neighborhood Developers can extend the affordability restrictions on the housing units that were set to expire over the next few years. All units will be rented to households earning up to 60% of the area median income (\$72,400 for a family of four). Chase purchased the bond.

The buildings are located on Bellingham St., Blossom St., Broadway, Chester Ave., Chestnut Ave., Grove St., Library St., Poplar St., Sixth St., Shawmut St., Shurtleff St., Suffolk St., Washington Ave., and Watts St. Altogether, the properties consist of two studio units, 22 one-bedroom units, 62 two-bedroom units, 28 three-bedroom units, and two four-bedroom units.

“The purchase of these units is a tremendous achievement that was only possible because of the strong partnerships that exist in the Commonwealth’s affordable housing ecosystem and through creative strategies to help address the state’s long-standing housing crisis,” said Housing and Economic Development secretary Mike Kennealy, who serves as chair of MassDevelopment’s board of directors. “We are thrilled to support this innovative and ground-breaking project that furthers the Baker-Polito Administration’s efforts to create and preserve needed affordable housing, which prevents displacement and maintains the vibrancy of the community.”

In addition to the tax-exempt bonds, MassDevelopment assisted the Mass. Department of Housing and Community Development with the approval of federal low-income housing tax credits that will provide approximately \$17.7 million in equity for the project.

“Making critical renovations and ensuring the long-term affordability at 116 rental housing units across Chelsea is such an important accomplishment by The Neighborhood Developers, Inc. — a leader in building and preserving affordable housing for Gateway Cities like Chelsea, Everett, and Revere,” said MassDevelopment President and CEO Dan Rivera. “MassDevelopment is proud to partner with them once again in this effort.”

“Every region in our Commonwealth feels the pressure of our housing crisis, but we know working and low-income households in cities like Chelsea are acutely impacted,” said Housing and Community Development Undersecretary Jennifer Maddox. “DHCD is proud to support the work of The Neighborhood Developers to invest in 21 multi-family homes and apartment buildings in Chelsea, providing long-term affordability and stability to more than 100 households. We are eager to work with partners like TND and MassDevelopment to pursue ambitious projects of all types to increase our housing stock and preserve existing assets.”

“We’re proud to play a role alongside MassDevelopment in supporting The Neighborhood Developers, Inc. with the purchase, renovation and preservation of affordable rental housing units in Chelsea,” said Chase vice president of community development banking Mark Migliacci. “With the nation’s pervasive need for affordable housing, we remain committed to working with industry leaders and local organizations to provide safe and stable places for people to live and thrive.”

“The Neighborhood Developers has been a long standing and valued partner with the City in creating affordable housing for our residents,” said Chelsea city manager Thomas Ambrosino. “We are very happy to see that another 116 units of this critical housing will be fully renovated and preserved long-term for those who need housing assistance.”

The Neighborhood Developers, Inc. (TND) is a nonprofit community development corporation headquartered in Chelsea. The organization’s mission is to create strong neighborhoods that enable community members to secure a stable home, achieve economic mobility, and determine their own future. TND owns 539 affordable housing units in Chelsea and Revere.

MassDevelopment has previously supported The Neighborhood Developers. In 2021 MassDevelopment issued a \$9,143,000 tax-exempt bond to help TND build a 33-unit affordable rental housing complex, dubbed St. Therese, for seniors in Everett; in 2018 the agency issued a \$6,885,580 tax-exempt bond to help TND build and equip a 34-unit affordable rental housing facility in Chelsea; and in 2016 the agency issued a \$5,825,000 tax-exempt bond to help TND preserve, renovate, and build 52 affordable housing units in Chelsea and Revere. MassDevelopment has also awarded more than \$2 million from the Brownfields Redevelopment Fund between 2008 and 2014 for site assessment and remediation for the Box District homes, which are transit-oriented housing developments in Chelsea.

“MassDevelopment has been an invaluable partner in TND’s affordable housing development and preservation,” said The Neighborhood Developers, Inc. executive director Rafael Mares. “Its issuance of a tax-exempt bond to benefit our Chelsea Legacy project will allow us to preserve and renovate the homes of 129 Chelsea residents, a community of color that has been hit hard by COVID-19, but has also collaborated successfully to fight back.”

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