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MassDevelopment issues \$24.5 million bond on behalf of TND 170 Cottage LLC for 66-unit affordable housing facility

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Chelsea, MA MassDevelopment has issued a \$24.5 million tax-exempt bond on behalf of TND 170 Cottage LLC, an affiliate of The Neighborhood Developers, Inc., which will use proceeds to buy a parcel at 170 Cottage St. where it will build a new 66-unit affordable rental housing facility. The 76,000 s/f building will include 11 three-bedroom units, 43 two-bedroom units, and 12 one-bedroom units, as well as a community room, 72 below-ground parking spaces, bicycle storage, and more than 15,000 s/f of open space.

The units will be rented to households earning up to 60% of the area median income (\$89,050 for a four-person household) with 10 units reserved for households earning up to 50% of the area median income (\$74,200 for a four-person household) and 18 units reserved for households earning up to 30% of the area median income (\$44,520 for a four-person household).

The property is located adjacent to the Chelsea Greenway and one block from the Eastern Ave. stop on the MBTA Silver Line. Project sponsor The Neighborhood Developers created a for-profit affiliate, TND 170 Cottage LLC, for the purposes of facilitating this tax-exempt financing. Broadway Securities Corp., a subsidiary of Eastern Bank, purchased the bond, which helped TND 170 Cottage

LLC achieve a lower cost of capital.

In addition to the tax-exempt bonds, MassDevelopment assisted the Massachusetts Executive Office of Housing and Livable Communities with the approval of federal low-income housing tax credits that will provide approximately \$19.7 million in equity for the project.

“The Healey-Driscoll Administration is grateful to our partners like Neighborhood Developers who are working to build much-needed affordable housing to meet the needs of our communities,” said secretary of Housing and Livable Communities Ed Augustus. “Tax credits are a powerful tool to make that happen. And every one of the 66 affordable apartments made possible through these tax credits will make a real difference to individuals and families looking to call Chelsea home. The Executive Office of Housing and Livable Communities is proud to be a partner in making this possible.”

“The Neighborhood Developers, Inc. has long been a leader in delivering affordable housing for our residents, and through this effort is bringing 66 new affordable units online in the Gateway City of Chelsea,” said MassDevelopment president and CEO Dan Rivera. “Every new home built represents a family housed, which is why projects like this are essential to easing the housing crisis Massachusetts faces.”

“Eastern Bank is pleased to be working with The Neighborhood Developers and MassDevelopment to bring 66 affordable, energy efficient homes to Chelsea,” said Eastern Bank Vice President of Community Development Lending Angela Meehan. “Not only will the project provide permanently affordable housing to the area, it will also connect residents with additional resources to help them thrive, such as on-site open space, the Chelsea Greenway, and access to public transportation.”

“We are thrilled with MassDevelopment’s financial support of this critical Affordable Housing project led by The Neighborhood Developers,” said Chelsea City Manager Fidel A. Maltez. “This pivotal investment marks a significant step towards realizing our vision for expanded affordable housing in Chelsea. Affordable housing is a cornerstone priority for our city, and partnerships at the local, state, and federal levels are paramount to turning this vision into reality. Through collaborative efforts, we are not only addressing critical housing needs but also fostering vibrant, inclusive communities where all residents can thrive. This project underscores our commitment to equitable development and lays a foundation for continued prosperity in Chelsea.”

The Neighborhood Developers (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 649 affordable housing units in Chelsea, Everett, and Revere.

“We extend our heartfelt gratitude to MassDevelopment for its unwavering support of and partnership in our mission to provide affordable housing in our gateway communities,” said The Neighborhood Developers Executive Director Rafael Mares. “The issuance of the \$24.5 million tax-exempt bond marks a significant milestone for 170 Cottage. With this crucial investment, we are

empowered to realize our vision of constructing 66 affordable rental homes next to the Chelsea Greenway with welcoming open space that will showcase public art and provide access to the multi-modal pedestrian and bike path. This truly transit-oriented development will be only a block away from the Eastern Ave Silver Line Station. Together, we are not just building structures, we are building homes and opportunities for individuals and families.”

MassDevelopment has previously supported The Neighborhood Developers. In 2022 MassDevelopment issued a \$25,350,000 tax-exempt bond to help TND buy, renovate, and preserve 116 units of affordable rental housing located in 21 buildings in Chelsea; 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.

The Neighborhood Developers is also a member of the partnership working to advance economic growth in Revere’s Shirley Ave neighborhood, where MassDevelopment designated a Transformative Development Initiative (TDI) district in 2022.

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