



nerej

MassDevelopment issues \$22.2m tax-exempt bond to build 80 units for phase one of Walnut St.

August 02, 2024 - Owners Developers & Managers



Foxborough, MA MassDevelopment has issued a \$22.2 million tax-exempt bond on behalf of Walnut Street Phase One 4 LLC to build 80 units of affordable senior housing at 51 Walnut St., a project developed by a joint venture that includes Affordable Housing and Services Collaborative, Inc., Peabody Properties, Inc., and The Onyx Group. The site, previously owned by the Commonwealth of Massachusetts, was conveyed to the Foxborough Housing Authority in 2017. These units represent the first step in a multi-phase project that will result in the construction of 200 new units of affordable senior housing at the site. All of the 80 one-bedroom units will be rented to households earning up to 60% of the area median income (\$68,520 for a one-person household) with 20 units reserved for households earning up to 30% of area median income (\$34,260 for a one-person household). Project sponsor Affordable Housing and Services Collaborative, Inc. created a for-profit affiliate, Walnut Street Phase One 4 LLC, for the purposes of facilitating this tax-exempt financing. The tax-exempt bond, purchased by Citizens Bank, helped Walnut Street Phase One 4 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 \$15.1 million in equity for the project. Earlier, in 2021-22, MassDevelopment provided Real Estate Services Technical Assistance awards totaling \$55,000 to

the Town of Foxborough to help the town develop a Request for Proposals (RFP) to find a qualified developer for the site (a parcel of the former Foxborough State Hospital), coordinate with the community, and analyze RFP responses.

“Our economy is made stronger when residents of all ages can afford to live and thrive in Massachusetts,” said secretary of economic development Yvonne Hao, who serves as chair of MassDevelopment’s board of directors. “Congratulations to all who are playing a role in bringing affordable senior housing to this former state-owned site in Foxborough.”

“As we work to combat the housing crisis Massachusetts faces, the Healey-Driscoll administration recognizes the opportunity that exists in transforming underutilized former state-owned property into housing,” said secretary of housing and livable communities Ed Augustus. “With the support of tax credits from the Executive Office of Housing and Livable Communities as well as technical assistance and tax-exempt financing from MassDevelopment, this site is on the way to becoming critical affordable housing for seniors in that region.”

“This is a major win for Foxborough and a great example of how MassDevelopment can assist at every stage of an economic development project,” said acting MassDevelopment president and CEO Dan O’Connell. “Our early technical assistance helped the town of Foxborough engage a qualified developer for the redevelopment of this former state-owned site, and now our tax-exempt financing will bring the first phase of senior affordable housing to fruition with 80 much-needed units.”

“Citizens Bank appreciates the opportunity to work with such a strong development partnership team in Peabody Properties Inc., Affordable Housing and Services Collaborative, Inc., and Onyx Boston in their effort to create new senior housing in the town of Foxborough,” said Citizens Bank senior vice president of community development Eugene J. Clerkin. “This development opportunity is the result of a significant and long-time effort by the town’s housing and legislative leaders to create a biddable land parcel, and their determination to succeed is admirable.”

“As town manager of Foxborough, I am delighted to see MassDevelopment provide funding for Phase 1 of the Walnut affordable housing project,” said Paige Duncan. “The town has worked tirelessly on this significant initiative for years, and we are thrilled to see much-needed affordable housing being built during these challenging times.”

Affordable Housing and Services Collaborative, Inc. (AHSC) is a 501c3 non-profit organization founded in 2001 to develop affordable housing, as well as to promote and enhance the quality of life for residents of affordable housing. Since its inception, AHSC has worked with its strategic partners Peabody Properties, Inc. (PPI) and Peabody Resident Services, Inc. (PRSI) to establish a leadership role in the preservation and creation of affordable rental communities.

“Our development team is extremely fortunate to have worked with MassDevelopment on our Phase One 4 Low-Income Housing Tax Credit (LIHTC) deal,” said Michael Mattos, president and executive director of Affordable Housing and Services Collaborative, Inc. “Given the complexity and

competitiveness of receiving tax-exempt volume cap in Massachusetts, we are truly appreciative of MassDevelopment and the Executive Office of Housing and Livable Communities' (EOHLC) commitment and support.”

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