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**Work is Underway to Convert Vacant Worcester Building to
New, 55-Unit Mixed-Income Housing Community with \$5.1 Million in
MassHousing Financing**

*The Central Building on Main Street is being transformed by the Central Building
Development Group*

BOSTON – May 7, 2018 – MassHousing has closed on a total of \$5.1 million in affordable housing financing to support the redevelopment of Worcester’s Central Building. The MassHousing financing will allow the Central Building Development Group to transform a vacant former office building in downtown Worcester into a new, 55-unit mixed-income housing community that will include 14 workforce housing units.

“MassHousing’s partnership with the Baker-Polito Administration and city officials will advance the revitalization of downtown Worcester by delivering the new residents and retail uses needed to reactivate this corner of Main Street,” **said MassHousing Executive Director Chrystal Kornegay.** “MassHousing’s Workforce Housing Initiative is a powerful and flexible tool for opening new economic opportunities and accelerating downtown revitalization efforts. We congratulate the Krock family and the City of Worcester for their dedication to this transformational housing development.”

“The Central Building has been a significant structure in downtown Worcester since it was built in 1926. We are thrilled to restore and modernize this building into a mixed-use development that will contribute to downtown Worcester’s ‘18-hour day’ and downtown revitalization,” **said Central Building Development Group Managing Member Kathryn Krock.** “The project would not have been possible without the vision and support of the Baker-Polito Administration and MassHousing’s investment and commitment to downtown Worcester.”

MassHousing is supporting the redevelopment of the Central Building by providing a \$3.7 million permanent loan and \$1.4 million in workforce housing funding from the Agency’s [\\$100 Million Workforce Housing Initiative](#). The project also received approximately \$12 million through an allocation of federal and state Low-Income Housing Tax Credits by the [Massachusetts Department of Housing and Community Development](#) (DHCD), more than \$3 million in direct affordable housing funding from DHCD, \$1.2 million in HOME funds from the City of Worcester, and approximately \$5.3 million through allocations of federal and state historic tax credits.

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The Central Building, located at 332 Main Street, was built in 1925 and operated as an office building for many years. Prior to the current redevelopment effort, the property had been vacant for several years, and was considered for demolition. The commitment of affordable housing, workforce housing, and historic resources enabled the property's preservation and reuse.

Eight of the 55 new apartments will be for lower-income households earning at or below 50% of the Area Median Income (AMI), and will be subsidized by Section 8 Housing Assistance Payment vouchers. An additional 28 units will be affordable for households earning at or below 60% of AMI. Fourteen apartments will be workforce housing units for moderate-income households earning at or below 70% of AMI, and 5 units will be rented at market rates. The AMI for Worcester is \$85,800 for a family of four.

There will be 1 studio unit, 17 one-bedroom apartments, 34 two-bedroom apartments and 3 three-bedroom apartments.

The Central Building redevelopment advances the Baker-Polito Administration's goal of creating up to 1,000 new workforce housing units affordable to middle-income households through MassHousing's \$100 million Workforce Housing Initiative. Since the inception of the initiative in 2016, MassHousing has committed or closed workforce housing financing totaling \$57.5 million to 25 projects located in 14 cities and towns. To date, the Workforce Housing Initiative has advanced the development of 2,309 housing units across a range of incomes, including 616 workforce housing units.

The general contractor is [Dellbrook JKS](#). The architect is [The Architectural Team](#) and the management agent is [Maloney Properties](#).

MassHousing has financed or manages the rental subsidy for 35 rental housing communities in Worcester totaling 4,973 units of housing with an overall original loan amount of \$193.2 million. The Agency has also provided mortgage loans to 3,053 Worcester homebuyers or homeowners, with an original overall loan amount of \$335.7 million.

About MassHousing

MassHousing (The Massachusetts Housing Finance Agency) is an independent, quasi-public agency created in 1966 and charged with providing financing for affordable housing in Massachusetts. The Agency raises capital by selling bonds and lends the proceeds to low- and moderate-income homebuyers and homeowners, and to developers who build or preserve affordable and/or mixed-income rental housing. MassHousing does not use taxpayer dollars to sustain its operations, although it administers some publicly funded programs on behalf of the Commonwealth. Since its inception, MassHousing has provided more than \$22 billion for affordable housing. For more information, visit the MassHousing website at www.masshousing.com, follow us on Twitter [@MassHousing](#), subscribe to our [blog](#) and Like us on [Facebook](#).

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