



Massachusetts Housing Finance Agency
One Beacon Street, Boston MA 02108
TEL 617.854.1000 | FAX 617.854.1091 | VP: 857.366.4157 | www.masshousing.com

Media Contacts

Paul McMorrow: 617.854.1141 | pmcmorrow@masshousing.com
Tom Farmer: 617.854.1843 | tfarmer@masshousing.com

MassHousing Provides \$50 Million for the Refinancing and Renovation of the 489-Unit Chestnut Park Apartments in Springfield

As part of the transaction, Related Companies will create a tier of 77 workforce housing units for working families

BOSTON – January 16, 2019 – MassHousing is providing \$50 million in affordable housing financing to [Related Companies](#), to refinance and renovate the Chestnut Park Apartments in downtown Springfield. The MassHousing financing will allow Related to preserve affordability at the 489-unit housing community, while making a significant capital investment in the property. As part of the transaction, Related will create 77 workforce housing units that will be affordable to moderate-income households.

“Related Companies is reinvigorating the Chestnut Park Apartments, bringing substantial capital improvements, greater income diversity, and strong property management practices,” **said MassHousing Executive Director Chrystal Kornegay**. “MassHousing is proud to partner with Related and the City of Springfield on this important project. It will strengthen Springfield’s downtown, and the families who call this apartment community home.”

“The renovations to Chestnut Park Apartments will significantly improve the lives of our residents, and we are thrilled to create 77 workforce housing units for the hardworking families in this city,” **said Kimberly Sherman Stamler, President of Related Beal**. “Affordable housing is a core piece of Related’s fabric, and we are proud to support the Baker-Polito Administration’s goal of creating new workforce housing units. We are grateful to MassHousing for their significant role in providing financing that will benefit this important downtown Springfield community.”

“I’m very appreciative of Governor Baker’s and MassHousing’s continued commitment to workforce housing,” **said Springfield Mayor Domenic J. Sarno**. “This type of initiative is one that empowers individuals and families to be able to provide for a better life for themselves and our community. I’m also deeply appreciative of Related Companies’ belief and investment in our Springfield. They’ve been a very good community partner in assisting us with rebirth of Pynchon Plaza, our downtown police sub-station, and our Springfield Museums.”

MassHousing is supporting the modernization of the Chestnut Park Apartments by providing \$45 million in tax-exempt financing through the Agency’s Conduit Loan Program, in partnership with Wells Fargo. Wells Fargo will act as the project’s commercial construction and permanent lender. The MassHousing

MassHousing Provides \$50 Million for the Refinancing and Renovation of the 489-Unit Chestnut Park Apartments in Springfield

financing and an allocation of federal and state Low-Income Housing Tax Credits by the [Massachusetts Department of Housing and Community Development](#) (DHCD) generated \$42.4 million in equity financing for the project.

In addition to the MassHousing and tax credit financing, the Chestnut Park transaction is benefitting from \$2 million in direct support from DHCD, \$500,000 from the city of Springfield, a \$2.8 million deferred developer fee and \$2 million from the [Affordable Housing Trust Fund](#), which MassHousing manages on behalf of DHCD.

MassHousing is additionally providing \$5 million in workforce housing financing through the Agency's \$100 million [Workforce Housing Initiative](#). The MassHousing workforce housing funds will create a new tier of 77 workforce housing units at Chestnut Park. The new workforce housing units will be affordable to moderate-income households, and will create a greater range of income diversity at the site. Related will create the new workforce housing as units become available due to vacancy. No households will be displaced as a result of the financing transaction.

Chestnut Park 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 \$66 million, to 29 projects, located in 16 cities and towns. To date, the Workforce Housing Initiative has advanced the development of 2,965 housing units across a range of incomes, including 742 workforce housing units.

Of the 489 apartments at Chestnut Park, 412 will remain affordable to households earning at or below 60 percent of the Area Median Income (AMI), with 241 of those units receiving additional support from a project-based Section 8 rental assistance contract. The remaining 77 units will be workforce housing units, affordable to households earning at or below 85 percent of AMI. The Area Median Income for Springfield is \$73,900 for a family of four.

The Chestnut Park Apartments were built in the 1970s under the HUD 236 financing program. The development includes a 33-story tower with a connected four-level parking garage, an 18-story building, a nine-story building and a five-story building with a connected two-level parking garage. The property also includes 19,000 square feet of commercial space. The Chestnut Park Apartments are within walking distance to the MassMutual Center and MGM Springfield Casino and near Springfield's Innovation, Downtown Business and Museum districts.

Chestnut Park features 207 one-bedroom apartments, 264 two-bedroom apartments, and 18 three-bedroom apartments.

Among the renovations planned for Chestnut Park are unit, streetscape, building envelope and systems upgrades, including the replacement of HVAC systems, windows and elevators. Related Companies also plans to make improvements to communal spaces and building amenities. The modernization project will bring 25 units up to ADA standards for mobility impaired households and 10 units for hearing-impaired households.

The contractor will be [ETC Companies](#), LLC, the architect is [The Architectural Team](#), and the management agent is Related Management Company.

MassHousing Provides \$50 Million for the Refinancing and Renovation of the 489-Unit Chestnut Park Apartments in Springfield

MassHousing has financed or manages the rental subsidy for 41 rental housing communities in Springfield with 5,335 total units and an original loan amount of \$84 million. The Agency has also made 4,214 home mortgage loans in Springfield with an original principle balance of \$298.8 million.

About Related Companies

Related Companies is the most prominent privately-owned real estate firm in the United States. Formed over 40 years ago, Related is a fully-integrated, highly diversified industry leader with experience in virtually every aspect of development, acquisitions, management, finance, marketing and sales. Headquartered in New York City, Related has offices and major developments in Boston, Chicago, Los Angeles, San Francisco, South Florida, Washington, D.C., Abu Dhabi and London, and boasts a team of more than 3,500 professionals. With over \$50 billion in assets owned or under development including the 28-acre Hudson Yards neighborhood development on Manhattan's West Side, Related was recently named to Fast Company Magazine's list of the 50 Most Innovative Companies in the World. For more information about Related, please visit www.related.com.

About Related Affordable

Related Affordable is the division of Related Companies that develops, acquires and preserves affordable housing throughout the nation. Affordable housing laid the foundation of Related Companies, and its broad portfolio of award-winning affordable and mixed-income developments demonstrates the company's continuing ability to create affordable housing opportunities in a variety of geographically, economically and socially diverse neighborhoods. Related owns and operates a portfolio of more than 45,000 affordable and workforce housing units.

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 \$22.8 billion for affordable housing. For more information, visit the MassHousing website at www.masshousing.com, follow us on Twitter [@MassHousing](https://twitter.com/MassHousing), subscribe to our [blog](#) and Like us on [Facebook](#).

###