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OPINION

AT HOME IN NORTHAMPTON

Nonprofit Developers Tackle Two Projects On Northampton's Pleasant Street

Efforts Help Revitalize Neighborhoods, Provide Housing Options For Individuals And Families

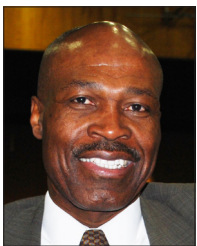
BY ROGER HERZOG AND LIONEL ROMAIN
SPECIAL TO BANKER & TRADESMAN

The nonprofit housing development community is playing an increasingly prominent role in revitalizing neighborhoods throughout the commonwealth that have gone through years of neglect and disinvestment. In some cities, the economics often



ROGER HERZOG

don't work for private sector investment, but nonprofit development of mixed-use projects, coupled with public infrastructure funding, can transform the perception of value and the actual experience for local residents. More and more, we are seeing community-based, nonprofit affordable housing developers – and the commonwealth's affordable housing finance system – step in, to positive results.



LIONEL ROMAIN

Massachusetts has a well-regarded affordable housing financing and community development system that continues to produce and preserve affordable

units across the state. CEDAC works with nonprofit developers in many different settings – from rural areas in Western Massachusetts to neighborhoods in Boston – to ensure that they have the resources they need early in their projects to turn an idea into reality. We provide the early stage capital financing and technical assistance that community-based organizations need to get an affordable housing project off the ground. And for many municipalities, those efforts help revitalize neighborhoods and provide housing options for individuals and families across a range of incomes.

Gateway To Downtown Northampton

We have seen that kind of nonprofit reinvestment happen in Boston, in places like Roxbury's Jackson and Dudley squares, but this isn't only happening in the region's largest city. It's also taking place in Northampton, where in recent months CEDAC has been involved with two separate non-profit projects that are helping to improve an important district of the city to turn it into a more welcoming gateway for visitors and residents alike.

One project to transform an underutilized, single-room occupancy building on Pleasant Street in Northampton into new affordable units with both housing and services

was more than a decade in the making. The city of Northampton had long looked for a nonprofit developer to address this troubled property but was unsuccessful until HAP Housing, a regional affordable housing developer based in Springfield, decided to take on the challenge. CEDAC provided HAP Housing with a \$1.6 million acquisition loan and \$1 million in predevelopment funding, which allowed HAP to acquire the site and undertake architectural, legal and financial planning for the project. The city of Northampton has also made \$450,000 in funds available for the development and the commonwealth's Department of Housing and Community Development awarded the project \$6.6 million in housing tax credits and other capital funds. Now under construction, Live 155 will offer 70 studio- and one-bedroom apartments above street-level commercial space, which aligns with Northampton's new urban design goals.

Another community-based organization based in Northampton, Valley CDC, is undertaking a similarly ambitious and important project on Pleasant Street across the street from Live 155. Formerly occupied by Northampton Lumber, this 1.23 acre site will create 55 new units of housing as well as commercial space. CEDAC is providing \$1.8 million in loans to help the organization gain

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site control and address other early costs associated with the project. Furthermore, both Live 155 and the Northampton Lumber sites are close to transit options, including area Amtrak and bus stations, which will give residents transit opportunities for work.

CEDAC's investment is already spurring additional interest and resources into this part of Northampton. In November, Massachusetts Secretary of Housing and Economic Development Jay Ash announced that Northampton had received a \$2.5 million MassWorks infrastructure grant that will fund the replace-

ment of a storm drain under the Northampton Lumber site, while also improving the overall character and function of Pleasant Street, with enhanced bike lanes, sidewalks and benches, among other upgrades. In total, the cumulative public and private investment in both projects is an estimated \$42.6 million.

The experience in Northampton shows that knowledgeable nonprofit organizations, dedicated community planners and an efficient, functioning community development system can play an important role in creating sustainable, thriving communities that also meet the

housing needs of vulnerable residents. As other communities, including some of the region's more distressed cities and towns, think about ways to revitalize their neighborhoods, they would do well to look to their community development agencies and nonprofit real estate developers to provide similar inspiration. ■

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