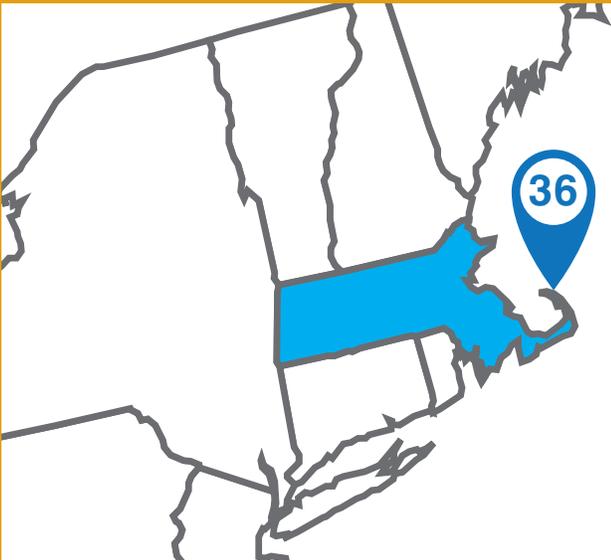




Historic Apartments in Salem, Mass., Gain Renovation

A collection of century-old buildings in Salem, Mass., were preserved for affordable housing after North Shore Community Development Coalition (North Shore CDC) used low-income housing tax credits (LIHTCs) and federal and state historic tax credits (HTCs) to renovate them.



SALEM, MASS.

LEAD DEVELOPER
NORTH SHORE COMMUNITY DEVELOPMENT COALITION

CONGRESSIONAL DISTRICT
MASSACHUSETTS 6TH

RENTAL HOMES
77

CATEGORY
FAMILIES, PRESERVING EXISTING AFFORDABLE, HISTORIC PRESERVATION, GREEN DEVELOPMENT



Photos: Courtesy of North Shore Community Development Coalition

Historic Apartments in Salem, Mass., Gain Renovation

The 77 rental homes are spread across 11 buildings in the Point neighborhood. They were purchased and transformed into affordable housing in the late 1980s and then renovated in 2014. “These buildings are the bedrock of the surrounding community. This is our mission: to protect, preserve and invest in affordable housing,” said Bruce Erlich, senior investment officer at Massachusetts Housing Investment Corporation, which provided closing and asset management services and played a key role in acquiring the transaction and getting it underwritten. “This project provides quality low-income, urban housing in a region with very high housing costs. It is very important to keep the affordable housing stock in eastern Massachusetts.”

Each of the 11 buildings has between three and 16 apartments, with a total of 48 two-bedroom and 29 three-bedroom rental homes. Seven apartments are project-based Section 8 apartments, 20 are reserved for residents earning 50 percent of the area median income (AMI) or below and 50 more are for tenants earning 60 percent of the

AMI and below.

The renovation—which required tenants to be relocated for up to two weeks—included new mechanical systems and boilers for each building. Most rental homes got new kitchens and bathrooms, with kitchen renovations including new appliances, cabinets, flooring and countertops, while bathrooms received new flooring, cabinets, tiling and low-flow fixtures. High-efficiency windows were installed in each building and extensive masonry work was done on the exterior of the buildings.

More than 90 construction jobs were created by the renovation.

“It’s a chance to recapitalize the whole portfolio and modernize the buildings,” said Mickey Northcutt, CEO of North Shore CDC. “And it improves the quality of life for the residents.”

A little over 100 years ago, a large fire swept through the Point neighborhood and all 11 Salem Point development buildings, along with much of the surrounding neighborhood, were rebuilt between 1915 and 1917. To qualify for the HTC and preserve the early 20th century architecture of the neighborhood, North Shore CDC helped get the entire neighborhood listed as a National Historic District on the National Register of Historic Places.

The state and federal HTCs were used to preserve the original exterior masonry work, restore the large entryway doors of each building and replace the windows with historically accurate replicas. ❖

LEAD DEVELOPER NORTH SHORE COMMUNITY DEVELOPMENT COALITION	CONGRESSIONAL DISTRICT MASSACHUSETTS 6TH
CATEGORY FAMILIES, PRESERVING EXISTING AFFORDABLE, HISTORIC PRESERVATION, GREEN DEVELOPMENT	RENTAL HOMES 77
FINANCING	
<ul style="list-style-type: none"> \$7.7 million construction bridge loan from Eastern Bank \$5.3 million 4 percent LIHTC equity investment from Institution for Savings \$5 million seller’s note \$2.1 million permanent loan from Eastern Bank \$1.9 million federal HTC equity investment from Institution for Savings \$1.4 million state HTC equity investment from Dorfman Capital \$950,000 in Housing Innovation Funds from the Commonwealth of Massachusetts \$400,000 grant from the Federal Home Loan Bank of Boston \$400,000 in U.S. Department of Housing and Urban Development HOME funds through the North Shore HOME Consortium \$350,000 in Community Development Block Grant funds from the City of Salem \$100,000 in Weatherization Grant funds from the City of Salem \$55,000 Massachusetts Development Brownfields grant 	