

Chelsea Flats

CHELSEA, MASSACHUSETTS

A new development in Chelsea's Box District that is helping to transform a gateway city and further a community vision.

PROJECT TYPE:

Mixed-income rental housing

DEVELOPMENT TYPE:

New modular construction integrated with historic façade

UNITS:

96 total: 26 affordable, 70 market rate

TOTAL DEVELOPMENT COST:

\$24.5 million

HNEF INVESTMENT:

\$894,536

DEVELOPER:

Mitchell Properties

COMPLETED:

Feb. 2015 (Phase 2)

CHELSEA'S REBIRTH

With a population of about 36,000, Chelsea is a small industrial city directly across the Mystic River from the city of Boston. Since it was placed in state receivership in 1991, the city has experienced a remarkable turnaround with an unprecedented level of development including affordable and market rate housing, hotels, a major supermarket, restaurants, and the FBI regional headquarters. New parks, sidewalks and roadways dot the landscape. Due to its proximity to Boston, public transit (including the forthcoming Silver Line extension), and many available properties for redevelopment, Chelsea has been a desirable location. The city government has been very careful to ensure that new development does not displace current residents, is well balanced, and will be sustainable.

THE BOX DISTRICT — ONCE BLIGHTED, NOW TRANSFORMED

This once blighted area, just over a block from City Hall, gets its name from box manufacturing companies that operated here at the beginning of the 20th century. When the companies moved out, the neighborhood fell into disrepair until it was rezoned in the early 2000s for residential use. Since then the neighborhood has been transformed with new developments. Last year the Box District won the Jack Kemp Excellence in Affordable and Workforce Housing Award, which celebrates and promotes the exemplary efforts of real estate and public policy leaders from across the country who are working to expand affordable and workforce housing opportunities.



AN OPPORTUNITY TO BENEFIT THE COMMUNITY, THE ENVIRONMENT, AND HEALTH

HNEF's first investment, Chelsea Flats, consists of two buildings — 22 and 44 Gerrish Street, directly adjacent to a future Silver Line stop in Chelsea and a short walk to retail and services. Investment in this project was an excellent fit for HNEF providing both patient equity for the developer as well as an opportunity to invest in the ongoing transformation of the city and produce a competitive return for investors.

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To qualify for an HNEF investment, projects must meet two sets of underwriting criteria: standard real estate underwriting plus a healthy neighborhood screening — the Health Score. The Health Score for Chelsea Flats demonstrated that the project was likely to be High Impact, meaning the project was likely to yield positive impacts on neighborhood health. This is especially important in Chelsea where the citywide poverty rate is twice the state average, the violent crime rate is 4.6 times the state average, and the adult asthma rate is approximately 1.5 times the state rate.

Many other factors were considered in evaluating Chelsea Flats as an opportunity for transformative impacts. When the Silver line is complete, over 20% of the region’s jobs will be accessible within a 45-minute transit ride. Over the past several years, several other major developments — both housing and commercial — have been completed. A new park with a playground was built directly across the street. The project redeveloped a formerly contaminated site and was the first to utilize the Commonwealth’s Housing Development Incentive Program (HDIP), which encourages the construction of market rate housing in gateway cities. The project is adjacent to Atlas Lofts, a 52-unit mixed-income rental complex financed by MHIC in 2009 that transformed a vacant, historic box factory into mixed-income housing. Clearly, this neighborhood is benefiting from collaboration among public, nonprofit and private sector partners dedicated to building a healthy community.

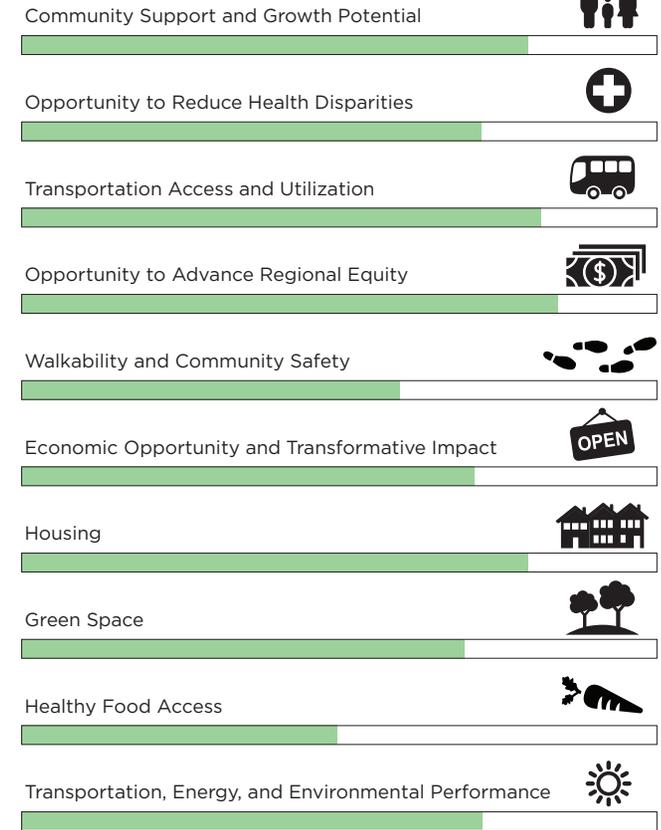
INVESTING IN THE BUILDING BLOCKS OF HEALTHY COMMUNITIES IN MASSACHUSETTS

The Healthy Neighborhoods Equity Fund is a \$30 million private equity fund created by the Massachusetts Housing Investment Corporation and the Conservation Law Foundation to finance transformative, transit-oriented development in Massachusetts. See www.hnefund.org.

Chelsea Flats

HNEF HEALTHSCORE

NEIGHBORHOOD



HEALTH SCORE: 70.3

RATING: HIGH IMPACT

