

JACK KEMP

EXCELLENCE IN AFFORDABLE & WORKFORCE HOUSING AWARDS

2014 WINNER

DEVELOPERS

The Neighborhood Developers Inc.
Mitchell Properties LLC

PARTNERS

City of Chelsea, Massachusetts

DEVELOPMENT COSTS

\$70.3 million

DEVELOPMENT TIMELINE

Site acquired: 2005–2012 (acquired in phases)

Construction: 2006–2014

Sales/rentals opened: Phase I in 2007

Completed: six phases anticipated.

Phase I completed in 2007; Phase IV completed in March 2014; completion of all phases expected by winter 2014–2015.

WEBSITE

www.boxdistrictliving.com



The Box District

Chelsea, Massachusetts

A strong public/private partnership including a local nonprofit developer, and a for-profit developer, and the city of Chelsea, Massachusetts, has produced 248 units and transformed a blighted warehouse district into a new mixed-income residential neighborhood. The redevelopment in a transit-rich area was one of the first produced under the commonwealth's 2004 Smart Growth Zoning Overlay District Act, known as 40R.

The Box District is in Chelsea, Massachusetts, a low-income gateway community located across the Mystic River from Boston and home to a diverse population of primarily first- and second-generation immigrants. The 10.5-acre remediated industrial brownfield site, a short walk from downtown Chelsea, was the former home of the area's cardboard-box and mattress manufacturers. Chelsea is well served by a commuter rail stop and frequent bus service to employment centers in the Greater Boston area. In 2016, a new Silver Line bus rapid transit stop will serve the center of the Box District. Organized according to a smart growth master plan, the 248-unit mixed-income redevelopment was one of first produced under the commonwealth's 2004 Smart Growth Zoning Overlay District Act, known as 40R.

The Box District's transformation from a blighted area into a thriving community is the result of a partnership among three entities: local nonprofit developer The Neighborhood Developers (TND), Boston-based for-profit private developer Mitchell Properties, and the city of Chelsea. In

consultation with the community, TND and the city in 2005 developed a vision for a neighborhood with affordable, workforce, and market-rate residences; the name the Box District was chosen to honor the area's history.

The Box District is a phased development composed of six projects totaling 248 new units. Three projects in the Box District—Box Works Homes, Atlas Lofts, and Janus Highland Apartments—obtained zoning approvals for higher-density development and reduced parking minimums allowed for transit-oriented projects under Massachusetts's 40R program. The 40R program seeks to encourage communities to revise their zoning codes to allow dense residential and mixed-use infill development and requires that at least 20 percent of housing units be affordable. In return for creating 40R districts, cities and towns receive funding from the state's Smart Growth Housing Trust Fund. Chelsea invested these funds in infrastructure improvements for the neighborhood.

The project includes diverse building types, including three-story apartment buildings, townhouse-style condominiums, and the historic renovation of a former brick-and-beam mill building. The six projects in the Box District, grouped by developer, are:

TND

- **Box Works Homes (2008):** 26 townhouse-style two- and three-bedroom condominiums, with 16 affordable and ten market-rate duplex units.
- **Janus Highland Apartments (2008):** 41 one-, two-, three-, and four-bedroom rental apartments affordable to households earning at or below 60 percent of area median income (AMI). Some units are supported by project-based rental assistance.
- **Highland Terrace (2012):** 32 units—24 units affordable at 60 percent of AMI, four units affordable at 50 percent of AMI, and four units affordable at 50 percent of AMI. Highland Terrace received Platinum certification under the Leadership in Energy and Environmental Design (LEED) for Homes program. The property includes a community room with free computers and printers for residents' use and a space for social events.

Mitchell Properties

- **Atlas Lofts (2010):** 53 rental apartments—47 market-rate and six affordable units. The project involved the historic renovation of a brick-and-beam mill building constructed in 1911 for the manufacture of paper boxes and converted in the mid-1960s to the Spring Air/Atlas Bedding mattress factory.
- **Flats at 44 (2014):** 46 rental apartments—41 market-rate and five workforce units. The project incorporates innovative design using modular structures and fabrication.

HOUSING TYPES AND AFFORDABILITY

248 total units (152 completed as of March 2014)

The Neighborhood Developers:

73 rental units with one to four bedrooms in three-story buildings

- 8 affordable units for households earning up to 30 percent of AMI: \$1,010–\$1,610/month and supported by project-based rental assistance
- 65 affordable units for households earning 50 to 60 percent of AMI: \$1,010–\$1,610/month

26 townhouse-style duplex condominiums, with two and three bedrooms

- 16 workforce units for households earning 60 to 120 percent of AMI: \$112,000–\$170,000
- 10 market-rate units: \$145,000–\$260,000





- **Flats at 22 (2015):** 50 rental apartments—29 market-rate and 21 affordable units. The project, which will incorporate innovative modular design, will include a below-ground parking garage to serve both Flats projects.

Deed restrictions are the primary tool used to ensure long-term affordability: 48 percent of the units are deed restricted for at least 30 years, with 32 units permanently deed restricted. TND, which has located its headquarters adjacent to the site, has also invested in social programming and established CONNECT, a collaboration of six nonprofit organizations that pool programming for workforce development and financial capability. Launched in early 2012, CONNECT now serves 4,000 low-income clients annually.

Financing for each of the affordable housing projects has included typical multiple layers of financing and subsidies from a variety of sources, such as low-income housing tax credits, HOME Investments Partnerships Program funds, Neighborhood Stabilization Program grants, and the Massachusetts Affordable Housing Trust Fund dollars.

Financing also has involved creative use of additional resources. Several of the funding sources are specific to Massachusetts, designed to produce affordable housing and promote transit-oriented development, including the new Housing Development Incentive Program (HDIP).

The development team also preserved historic structures in order to leverage historic tax credits, obtained funds from sources focused on building housing around transit nodes and corridors, and was awarded a competitive grant from the MassDevelopment Brownfield Redevelopment Fund to remediate the contaminated industrial sites for housing.

The city has invested in new sewer and water infrastructure, lighting, sidewalks, and street paving. The city also developed the \$1 million Box District Park in 2012, responding to a community priority for safe, child-friendly outdoor spaces.

With increasing implementation of sustainable construction standards over time, including installation of solar photovoltaics on selected buildings, the Box District is a national U.S. Green Building Council grant winner.

Success for the Box District has exceeded expectations. According to Ann Houston, executive director of TND, “Early on, we heard concerns that the vision was too bold and too ambitious for Chelsea and for an emerging community development corporation to manage.” Essential to the project’s success was that the partners shared ownership of the vision and responsibility for implementation, she says. “We each brought something to the table—skills, relationships, and financing strategies. We knew that early successes would allow future development to follow; therefore the partners persisted and stuck together.” This persistence allowed the partnership to weather the challenges of the housing market during a nine-year period that included the Great Recession.

“for as long as I can remember, people were talking about that area...”

Jay Ash
City Manager
Chelsea, MA