

Massachusetts

NMTC Allocatee

MassDevelopment New Markets, LLC
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Community Profile

Middleborough, MA

Targeted Populations: over 95% of clients served qualify as Low Income Persons.

Project Highlights

- Investor: Chase Community Equity LLC
- Co-Allocatee: Chase New Markets Corporation
- Total Project Cost: \$11M
- NMTC: \$11M
- Jobs: 70 construction jobs, 121 new full-time jobs created with another 10 projected, 52 jobs retained

High Point Treatment Center

High Point Treatment Center (HPTC), along with its affiliates Southeast Family Services and the Southeast Massachusetts Council on Addictions, provides comprehensive health services to individuals and families impacted by addiction, mental illness, domestic violence, and homelessness. Together, these organizations have created one of the largest continuums of care in Massachusetts for psychiatric and substance abuse services with more than 900 beds, 1,500 staff members, and 29,000 annual admissions. They serve the most disadvantaged populations: homeless, long-term unemployed, and very low-income individuals, and individuals referred through the criminal justice system when treatment is mandated in lieu of incarceration.

With a statewide shortage of inpatient beds for behavioral illnesses and an increasing rate of opioid overdoses and deaths, Massachusetts, like many states, is in critical need of additional treatment facilities. HPTC's existing facilities were at capacity, causing the organization to turn away individuals on a daily basis. The former St. Luke's Hospital, at the edge of downtown Middleborough, was vacant for more than 10 years after several failed redevelopment efforts. In 2012, HPTC took ownership of the former hospital with the goal of redeveloping it into an inpatient and outpatient psychiatric and substance abuse treatment center.

To address financing needs, HPTC came to MassDevelopment. The Agency had previously issued a tax-exempt bond on behalf of HPTC and provided a real estate loan from MassDevelopment's New Markets Loan Fund to the landlord for a building leased to HPTC. Although the new facility is not located in a low-income census tract, it serves those most in need with more than 90 percent of HPTC's clients in the Middleborough facility qualifying as low-income persons, and qualifies for the credits under Targeted Populations. Knowing the organization and the strong need for behavioral health treatment facilities, MassDevelopment New Markets LLC provided an \$8 million New Markets Tax Credit allocation and Chase New Markets Corporation provided a \$3 million NMTC allocation to redevelop the former hospital. MassDevelopment leveraged the tax credits with a \$7.5 million tax-exempt bond issued by on behalf of HPTC. Chase Community Equity LLC was the tax credit investor, and Citizens Bank purchased the bond.

Today, the three-story, 60,000-square-foot building has transformed into a state-of-the-art facility with 72 inpatient beds – 58 for adults and 14 for adolescents – on the upper two floors for patients with behavioral health issues. The ground floor houses outpatient services, including primary care services, a behavioral clinic, and administrative offices. The new facility at Middleborough provides additional capacity for approximately 4,200 annual inpatient admissions and more than 13,000 annual outpatient and primary care visits. In the future, HPTC plans to offer a certificate training program for licensed alcohol and drug addiction counselors and will offer clinical work in social work, medicine and psychiatry at local colleges and universities. The transformation of a blighted and abandoned former hospital into a vibrant community mental healthcare facility caring for the most underserved low-income population, while creating 121 (with another 10 projected) full-time positions, is a triple-win for the NMTC program and the communities it seeks to help.