

Name of Project: Coffin Lofts and Lawton's Corner Projects, New Bedford, Massachusetts

Name of CDE: MHIC New Markets CDE LLC Series 2 (MHIC, LLC)

Coffin Lofts and Lawton's Corner, closed in March 2004, are projects that finance the historic renovation and adaptive reuse of six vacant buildings totaling 35,180 GSF and 34,549 GSF, respectively, located in the central historic district of New Bedford. These mixed-use projects include a total of 16,167 SF of ground floor retail and office space, 3 artist live/work spaces (situated on the ground floor of one of the Coffin buildings), and 20 affordable and 15 market rate apartments on the upper floors. Nearly 100 FTE construction jobs were created by these projects (direct & indirect job creation), while over 50 FTE permanent jobs are expected to be created or retained in the renovated buildings.

The development entity is a joint venture between Hall Keen (a private developer) and the Waterfront Historic Area League (WHALE), a local non-profit that has been the catalyst for most of the City's key preservation projects. MHIC had previously provided LIHTC equity for four Hall Keen projects and one WHALE project. While these projects had aggregated substantial capital, they would not have been possible without MHIC's NMTC gap equity of \$4.9 million. These projects represented the first of a kind for NMTC financing in Massachusetts (and possibly in the nation) – combining a total of \$3,220,000 in FHLB long-term subsidized first mortgage debt with subordinate debt from the City of New Bedford (\$975,000 in HOME funds), the Department of Housing and Community Development (\$550,000 in additional HOME funds), MassHousing (\$450,000 in Affordable Housing Trust Funds), \$215,000 in historic preservation grants, and a \$300,000 FHLB direct subsidy through MHIC's leveraged NMTC-financing program.

The properties are located in a SBA HUB Zone; the family median household income is \$9,760, or 29% of the state's area median income; the poverty rate is 37.5%; and, the area has been designated for redevelopment by the City of New Bedford, a neighborhood that has experienced steady decline since the early 1970s resulting from the exodus of retail, offices and residences to the suburbs. A Master Plan has been created by the City's Planning Department that will overhaul downtown zoning, establish an Artist Overlay District, and revitalize the area; the development of Coffin Lofts is an important initiative under the Master Plan. The anticipated economic impact of the projects are compelling, as the three buildings, in conjunction with the additional three buildings that comprise Lawton's Corner, create a critical mass of community redevelopment in the city's central business district and turn buildings that were a blighting influence on the neighborhood into productive use while also preserving the historic fabric of the streetscape. Coffin Lofts will also indirectly serve as a mixed-use connection between the downtown area and a densely populated residential neighborhood. The proposed expansion of population will create new commercial activity that will increase the critical mass of the area and attract new goods, services, and employers. MHIC's NMTC-financed gap equity covered 35% of total development costs for these projects – without which the projects would clearly not have been feasible.