



How Did They Do That?

Counting House Lofts Rehabbed with Respect

By Bendix Anderson

Train bays, affordable housing, market rate apartments and a medical clinic squeeze into the Counting House Lofts, a new community in Lowell, Mass.

Winn Development solved a complicated puzzle to create a new community, fitting each piece of its plan into the long, narrow factory building, and fitting the rehabilitated building into the packed neighborhood of lofts growing up around it. The result has been honored with a nomination for a 2015 J. Timothy Anderson Award for Historic Rehabilitation.

Winn respects the past

To redevelop the Counting Housing Lofts, Winn had to preserve the unique historical details of the landmark, built in 1868 as part of a larger complex of mill buildings owned by the Hamilton Manufacturing Company, which used to produce woolens and cotton goods.

Trains pulled into the Counting House through giant doors to drop off loads of materials, which were weighed on giant scales and moved to other buildings in the complex for production. The Counting House also included offices for management and, later, after manufacturing stopped, a printing company.

"It's the first building that I've done that has actually had a train bay – trains used to back into the building," says Scott Maenpaa, a project manager with The Architectural Team from Chelsea, Mass.

To redevelop the landmark building, Winn Development had to agree to save the building's historic features – including the doors that let trains enter it and tin ceilings that protected the train bays from sparks that flew up from the steam engines.

Winn Development also respected the more recent history at the Counting House. For more than a decade, a medical clinic at the Counting House has served the neighborhood nearby and Lowell's larger South-East Asian community. Redevelopment split the Counting House building into 14,000 square feet for an expanded Metta Clinic, a subsidiary of the Lowell Community Health Center, plus more than 90,000 square feet of residential space.



Counting House Lofts

Redevelopment had already begun when Winn Development began its plans for the Counting House. Bank of America and the Architecture Heritage Foundation had planned to develop the larger complex including the Counting House into apartments. They had already completed some infrastructure improvements when Winn took control of the site and began to apply for subsidy to build its mix of affordable and market rate housing.

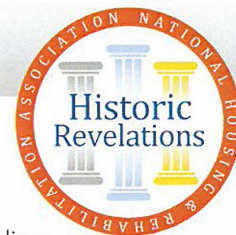
The financing challenging

Winn Development fought for years to get the LIHTCs it needed to redevelop the Counting House Lofts. In Massachusetts, affordable housing developers regularly apply for four times as many tax credits as state officials have to hand out. Winn submitted its first application for LIHTCs in February 2010 – and kept on applying until they finally made it. "I only applied five times," says Elizabeth Fish, vice president for Winn Development.

State officials advised Winn to revise its application. In Massachusetts' point-scored competition for LIHTCs, a point or two can make the difference between winning or having to apply again. The competition has a preference for communities in which a majority of the apartments have two or more bedrooms, to help provide housing for large households. Winn adjusted its plan to favor two-bedroom units.

While Winn applied for subsidy, contractors had

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already begun to work on the expansion of the Metta Clinic, which used its own line of funding to renovate its part of the building. By the time Winn received a reservation of LIHTCs the clinic was open for business.

Winn closed its financing for the Counting Housing Lofts in December 2013. It cost a total of \$11.7 million in hard construction costs to redevelop the lofts. Bank of America paid \$5.3 million for the property's 9% LIHTCs. BofA also bought the property's other tax credits, paying \$2.8 million for federal Historic Tax Credits, \$1.6 million for state Low-Income Housing Tax Credits and \$2.8 million for state Historic Tax Credits. The Counting Housing also took out a \$2.3 million first mortgage from MassHousing and received \$1 million from the MassHousing Affordable Housing Trust Fund.

Construction proceeded quickly. Winn's crews worked around the schedule of the medical clinic and its patients. That meant a lot of the noisier or messier work had to be completed on weekends or after hours. Despite the challenges, the contractors finished work on the Counting House Lofts two months early. The community received its certificate of occupancy in December 2014.

Just three months after it opened, the property was fully-leased, even though the lofts opened in one of the coldest, snowiest winters in Boston history. Both the luxury lofts and affordable housing apartments rented quickly – however the potential renters who trudged through the snow to visit the lofts were more interested in the community's one-bedroom apartments than the larger units.

The unrestricted, market-rate rents start at \$1,430 a month for a one-bedroom apartment and rise to \$1,946 a month for a two-bedroom apartment. The affordable apartments are reserved for households earning 30% to 60% of the area median income.

Historic neighborhood

The long, thin building is squeezed between the street on one side and another long, thin mill building on the other. Between the two historic factory buildings, there's just enough room for a walking path with benches and a narrow canal whose waters once turned the wheels of industry in the two factory buildings.

"It is great to have a water view," says Fish. "But it was definitely a challenge during construction... dangling over the canal rather than being able to stage over dry land."

The windows are now boarded up in the second fac-

tory building. Winn has applied for funding to redevelop it into a project named Adden Place, that would contain 75 more mixed-income loft apartments.

The loft apartments are already fully-occupied at the third, historic mill building on the site. Winn Development opened Loft 27 just before the Great Recession struck. Its 175 apartments mostly rent at unrestricted market rates, but 20% of the apartments are reserved for low-income households. Winn financed the property using tax-exempt bonds and 4% Low-Income Housing Tax Credits.

Residents of the Counting House can to use the amenities at Loft 27 next door. This includes a giant fitness center and community room and outdoor spaces alongside the wide Lower Pawtucket Canal, which crosses and crisscrosses the neighborhood with its branches and tributaries.

The Counting House Lofts is just a piece of a growing neighborhood of redeveloped factory buildings called the Jackson-Appleton-Middlesex (JAM) District. The JAM district is right next to the shopping and restaurants of downtown Lowell. Residents can also catch the commuter rail trains at the Gallagher Intermodel Transportation Terminal. **TCA**



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