



MHP News

Sharon: Wilber School transformed into 75 downtown apartments

MHP uses its bank-funded loan pool to provide long-term financing

April 26, 2010

SHARON, April 26, 2010 --- During the grand opening of the [Wilber School Apartments](#), townspeople could be heard admiring the building's transformation while remembering which teachers taught in which room and how much time they spent in the principal's office.

Their reaction sums up what developers Frontier Enterprises Inc. of Canton and [Beacon Communities](#) have done to this downtown landmark: They preserved a school and its memories for the town while rehabilitating it into an attractive, mixed-income rental housing development right in the middle of downtown.

"We are honored and proud to have been awarded this opportunity to revitalize such an important and beautiful building," said Josh Cohen, development director at Beacon Communities. "We thank the Town of Sharon, the Department of Housing and Community Development, the Massachusetts Historical Commission, our lenders and investors, and our development team for making Wilber School Apartments a reality."

Modern feel with historic touches

The project involved the redevelopment of the 53,600-square foot former school building and the construction of a handsome brick 56,000-square-foot addition, resulting in 75 apartments right in Sharon's downtown business district and steps from its commuter rail station.

The building's interior halls and apartments have a modern feel with historic touches. Along the main corridor of the old building, some of the old student lockers remain as a tasteful reminder of all the students who used to roam the halls. And in each apartment, there is a small blackboard for messages with a school-style eraser tray and a metal label that says "Wilber School – 1922," the year the school was built.

The Wilber School served the town as a school and meeting place until it was closed in 1981. The building remained vacant for nearly three decades before the town voted for it to be re-used as mixed-income housing. The school's exterior Colonial Revival architecture has been restored while the addition has been designed and built to both match and stand apart from the historic original structure. [Prelwitz Chilinski Associates](#), Inc., and Mercedes Farrando of [Beacon Concepts LLC](#) collaborated on the design of the renovation and addition.

"After being in such disrepair for almost 30 years, restoring the Wilber School building and returning it to useful service has finally been achieved," said former Wilber School student and current board of selectmen chairman



The Wilber School in Sharon has been transformed into 75 rental apartments within footsteps of downtown and the commuter rail station.

William A. Heitin at the April 26 grand opening. "This project is already positively impacting the revitalization of (our downtown) and it has also helped us take a step forward in achieving our affordable housing goals."

"This is an extremely important project for the community," said U.S. Representative Barney Frank. "We suffer a degree of resistance to affordable housing because of the past, but the Wilber School is an example of how we have learned to do it better."

Mixed-income apartments

Fifteen units have been designated affordable and rented to households earning up to 50 percent of the area median income. Of those 15 units, the developer has set aside three for households earning up to 30 percent of the area median income. All affordable units have been committed to. An additional seven units are designated as workforce housing and rented to households earning up to 100 percent of the area median income.

The apartments incorporate green design principles and have been certified by the ENERGY STAR Homes program, which estimates that the apartments will, on average, use 35 percent less energy than equivalent homes built to code. The building is also registered under the LEED for Homes green building certification program. Certification is expected in the coming months.

Financing shows developer strength, lending team's experience

Beacon Communities put together financing for this project during the depths of the economic crisis, when the tax credit and bond markets were stalled. Part of the \$29 million project is financed through federal and state low-income housing tax credits and historic rehabilitation tax credits, which were purchased by [AEGON USA Realty Advisors](#), LLC to generate more than \$15 million in equity financing.

[MassDevelopment](#) has also issued \$14 million in tax-exempt bonds for construction and permanent financing, which was underwritten by RBC Capital and guaranteed by [Bank of America](#) during the construction phase and by MHP upon completion and occupancy of the project. This financing enabled the developers to borrow funds at an "all-in" interest rate of 4.11 percent that is fixed for the first 12 years of the 18-year term of the loan.

This bond financing was offered through the Massachusetts Tax-Exempt for Credit Financing Program (MATCH), which makes low-rate, tax-exempt bond financing available for affordable rental housing developments from \$2.75 million to \$15 million. MATCH combines MassDevelopment's ability to raise money through tax-exempt bonds with MHP's ability to bring in private-sector financing, in this case crucial letters of credits from its funding banks. These letters of credit back the bonds and allow them to be AAA-rated, providing the borrower the lowest possible [interest rates](#). For more information, download the [MATCH term sheet](#).

"This project isn't just a model affordable housing development, it's a relationship model and a testament to how the public and private sectors can work together during difficult economic times to finance housing that provides jobs and affordable homes for people who live and work in the community," said Clark Ziegler, the executive director of MHP, a quasi-state agency that uses private bank funds to finance the development of affordable rental housing.

For more information about the Wilber School Apartments, call 781-784-2118 or go to the [Wilber School Apartments](#) web site. For more information about how MHP finances affordable rental housing, contact MHP Senior Loan Officer [Nancy McCafferty](#).