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PROPERTIES



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Charlestown's Bunker Hill Housing Redevelopment Project Approved to Move Forward *Declaration Partners to Invest in Project*

Boston, MA – In a step closer to bringing new affordable and market rate housing to Charlestown through an historic public-private partnership, the Bunker Hill Housing Redevelopment project has received all master site and phase one design approvals from City of Boston regulatory boards while also securing the necessary private financing to move forward with phase one demolition and construction this winter 2021/2022.

“Bunker Hill is a neighborhood rich in history and resiliency that spans the past and present,” said Mayor Kim Janey. “There is no other public-private development of this scale that exists in Boston today that so strongly symbolizes equity, sustainability and hope. The power of public participation throughout the planning process is a moment in time that the residents of Bunker Hill Housing and Charlestown will look back on with pride when new homes, open space, and improved street connectivity become a reality.”

The Bunker Hill redevelopment is a public-private partnership of the Boston Housing Authority (BHA), in conjunction with the Charlestown Resident Alliance (CRA), the Joseph J. Corcoran Company, Leggat McCall Properties, and Declaration Partners. The project will bring renewed affordable housing to more than 2,500 current residents while also offering new market rate housing in historic Charlestown. Spanning 26 acres, the master site plan includes the demolition of 42 buildings consisting of 1,100 BHA units and the construction of 2,699 new residential units. The project will also bring approximately 50,000 square feet of retail and a 14,000 square foot community center, off-street parking, and new public open space to the area.

The recent unanimous board approvals received from the Boston Planning & Development Agency (BPDA), Boston Zoning Commission, and Boston Civic Design Commission (BCDC) reflect the outcome of a community-driven Article 80 process with strong participation from elected leaders, the neighborhood's Impact Advisory Group (IAG), and Charlestown residents to mitigate concerns and improve the overall plan.

“The recent announcement of a financing agreement for the Bunker Hill Housing Development revitalization is an impactful next step. We welcome Declaration Partners to the team and the Charlestown community,” said State Representative Dan Ryan. “During this past seven-year odyssey, our neighborhood engaged in a visioning process with our sights set on building more vibrant and inclusive affordable housing for our neighbors while balancing the future impacts of such a development on our historic square mile. We are moving forward with that vision. I look forward to continuing this journey with my colleagues in government, the BHA and Charlestown Resident Alliance, the development team led by Joseph J. Corcoran Co. and Leggat McCall and most importantly, the residents of Charlestown.”

"I am so excited that this is moving forward so that we can begin working towards giving all residents the dignified housing that everyone deserves," said City Councilor Lydia Edwards. "I am proud to have worked with all stakeholders to ensure this process has been youth and community led and will continue advocating for that through all phases of the redevelopment."

To minimize relocation disruption for current residents, the redevelopment will progress in phases over a 10-year period. The BCDC recently voted unanimously to support the designs for phase one of the project, which will include two buildings located on Medford Street and Samuel Morse Way.

"As the largest public housing development in New England, this redevelopment represents more than just a transformation of 42 buildings, but also an investment in our families and in our future as a City," added BHA Administrator Kate Bennett. "I want to thank the residents and the broader community for helping us get to this important milestone."

"Today is a historic day for the residents of Bunker Hill," said Nancy Martinez, President of the Charlestown Resident Alliance. "With the BHA and our Developer partner, the Charlestown Resident Alliance has worked to ensure that through robust resident participation, our Bunker Hill redevelopment will become a national model for a truly inclusive mixed-income community. The partnership forged between the CRA, development team, and the BHA ensures our residents will share planning and decision-making responsibilities well into the future."

The development team also announced today that Declaration Partners will be the lead investor for the 10+ year project. Declaration is an investment firm anchored by the family office of David M. Rubenstein, financier, member of the Harvard Corporation and a committed philanthropist.

"We are humbled to have the opportunity to partner with the City of Boston, the BHA, the CRA, Bunker Hill residents and the development team and to invest in the long-term renewal and preservation of this historic neighborhood," said Todd S. Rich, Co-Founder of Declaration Partners. "We are attracted to the social benefits of preserving affordable housing while adding market rate housing in Boston, which we intend to continue to invest in over the long-term given the City's diverse economy and strong demand fundamentals."

With the current estimated development cost of the project at approximately \$1.4 billion, the planned redevelopment represents an innovative public financing strategy that minimizes the use of public resources to replace public housing units. In addition, the City of Boston is also investing \$120 million toward infrastructure improvements for the project. The initial \$30 million of this capital funding was announced by Mayor Marty Walsh in April 2019 as part of the City's Capital Plan to invest \$2.78 billion in Boston neighborhoods in the Imagine Boston FY20-24 Five Year Capital Plan. This investment is the first time in the City's history that City bond dollars have been invested directly into a BHA redevelopment effort, underscoring the City's fervent commitment to revitalize deeply affordable public housing.

In addition, long-term affordability will be preserved through new operating subsidies and the Low-Income Housing Tax Credit (LIHTC) program. The current federal public housing subsidy will be replaced by Section 8 Project-Based Vouchers for low-income residents.

For each subsequent phase of the project, the development team must seek design approval from BCDC and continue its engagement with the Charlestown Resident Alliance, Bunker Hill current residents, the Impact Advisory Group (IAG), and the greater Charlestown community.

“When we first responded in 2015 to BHA’s request for proposals, we believed that the road paved by my father in the late 1970s to further equity in public housing could be applicable and done even better here,” said Joseph J. Corcoran, President of the Joseph J. Corcoran Company. “I’m grateful for the contributions of our elected leaders, the CRA, and all of the residents of Charlestown. This will be a case study of how public housing can be transformed into market mixed housing communities utilizing the private capital markets. This will be the landmark property we envisioned where future generations can thrive in equitable housing and enjoy an onsite community center that offers social and educational programming.”

“This project demonstrates advancement in how public-private residential development continues to evolve and improve when non-traditional approaches are applied,” added Adelaide Grady, Executive Director of the Bunker Hill Housing Redevelopment and Senior VP at Leggat McCall Properties. “We will never sacrifice our commitment to transparency, equity, and sustainability as we move toward demolition and through the construction cycle. There is no better place than Boston to showcase the impact this reimagined area will have on future generations when our goal is fully achieved.”

Joseph J. Corcoran Company and Leggat McCall Properties were represented by Eastdil Secured as their exclusive financial advisor in the capital raising efforts, and Redimere Advisors LLC were instrumental in the formation of the development team partnership.

About Boston Housing Authority

Boston Housing Authority provides quality affordable housing for low-income families and individuals through the public housing and Section 8 rental assistance programs. We foster vital communities that are essential to our city’s economic diversity and way of life. As the largest housing provider in Boston, we bring stability, opportunity, and peace of mind not only to the thousands of low-income families we support, but to the city as a whole.

About Joseph J. Corcoran Company

The Corcoran Company, led by principal Joe Corcoran, has more than 30 years of experience in development, asset management, and property management, with an expertise in creating market mixed income communities using private market solutions. The Corcoran development team brings the market rate, mixed-income formula pioneered by the Corcoran Jennison Company and reflected in past successful residential developments such as the King’s Lynne and Harbor Point apartment communities.

About Leggat McCall Properties

For more than 50 years Leggat McCall Properties (LMP) has been a leading provider of real estate development, project management, and advisory services in the Boston real estate market. We have built our reputation on delivering best-in-class services to a diverse portfolio of private, public, and nonprofit clients on their most complex and challenging projects. In the last 10 years, LMP has contributed to hundreds of projects totaling more than \$10 billion in capital investment, including 15 projects over \$200 million and 50 over \$50 million. The company has also developed or acquired approximately \$3 billion in assets as principals, including mixed-use, office, residential, and research and life science properties. We bring an entrepreneurial mindset to solving institutional real estate problems and currently serve over 30 tax-exempt, mission-driven institutional clients.

About Declaration Partners

Declaration Partners is an investment firm anchored by the family office of David M. Rubenstein. Declaration’s real estate investment business provides flexible capital solutions for select real estate operators to create sustainable long-term value. The firm is headquartered in New York with an office in the Washington, DC area, and invests on behalf of family offices and like-minded institutional investors.

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