

# Nixon Peabody closes complex transaction to finance redevelopment of Worcester Housing Authority site

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**Worcester, MA.** Nixon Peabody LLP is proud to have represented Trinity Financial in a complex financing transaction that kicks off the first phase of a multi-phase planned redevelopment of a Worcester (MA) Housing Authority property.

Spearheaded by Trinity Financial and the Worcester Housing Authority, the Curtis Apartments project will ultimately redevelop a 70-year-old, 372-unit complex. The first phase of the project consists of 129 units in two buildings—replacing 90 former public housing units and adding 39 additional affordable units at 60% and 80% of area median income.

The transaction involved an innovative US Department of Housing and Urban Development (HUD) program for public housing authorities (PHAs) known as Faircloth-to-RAD. The program allows PHAs to create new federally assisted housing by combining the mixed-finance development process with the Rental Assistance Demonstration (RAD), thus creating a new pathway for affordable housing development.

A groundbreaking ceremony for the project was held on May 21, 2024.

"This transaction required a great deal of collaboration among parties, all of whom are deeply committed to the expansion of affordable housing in our communities," said Nixon Peabody **Affordable Housing** & **Real Estate** partner **Dara Histed**. "We're proud to be involved in this project and excited to see it get underway."

In addition to navigating the Faircloth-to-RAD process, the project involved the disposition and demolition of Massachusetts state public housing. Financing also included tax-exempt bonds, 4% federal low-income housing tax credits (LIHTCs), state LIHTCs, a Bank of America



construction loan, subordinate financing from the Executive Office of Housing and Livable Communities (EOHLC), and Building Futures Inc., and permanent and bridge loan financing from MassHousing through the HUD Risk Share program and the Middle-Income Housing program, among other funding sources. Massachusetts Housing Investment Corporation was the tax credit investor. Curtis Apartments is the first project seeking and obtaining a real estate tax exemption in a designated Tax Increment Financing (TIF) zone of the city, known as the City of Worcester East Side TIF Zone.

In addition to Histed, the Nixon Peabody team included strategic policy advisor and Affordable Housing & Real Estate deputy practice leader **Deborah VanAmerongen**, partner **Kathie Soroka**, counsel **Karla Chaffee**, associates **Ali Sisson** and **David Hornstein**, and paralegal **Vienna Kim**.