

Welcome home? Mass.' \$4.12B housing bond bill anticipated by developers who say investment has lagged long enough

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SPRINGFIELD — Over the next year, Way Finders — a regional housing agency — could have four projects under construction in Agawam, South Hadley, Holyoke and Ludlow, totaling 206 homes.

It'll have a fifth project, with another 70 units in Amherst, a little further out on the timeline.

Seeing these projects to fruition isn't easy. And Keith Fairey, president and CEO of Way Finders, will tell you the units produced are nowhere near enough.

Western Massachusetts is a region that, according to a 2022 study by the University of Massachusetts Donahue Institute, needs 17,000 more rental units at or below \$500 a month for rent. The overall shortage of all housing units — rented and owned — was 11,000 in 2018 and is projected to grow to 19,000 units by 2025.

"It's a bunch of different factors working together that gets you to this point," Fairey said of the construction phase.

That includes the high cost of construction, NIMBY-ism from neighbors and a reluctance of communities to welcome housing developments.

"We don't have the units we need," he said. "We don't have them at the various price points that people need and desire."

Tremendous need for affordable housing

Tucked back from busy Springfield Street, the Rosewood Way Townhomes in Agawam already have amassed 900 inquiries for just 62 homes. And Way Finders has not even begun to advertise yet.

"We found a great site," Fairey said.

Kids can walk to the High School and library. Grocery stores Stop & Shop and Geissler's are nearby.



Keith Fairey, left, president and CEO of Way Finders, talks with members of his team in December in a unit under construction at their new project in Agawam, Rosewood Way Townhomes. (Don Treeger / The Republican)



Visiting the site in mid-December, workers were completing interior spaces. All the buildings already had been framed out. The units are bright and sunny with open floor plans.

Way Finders will landscape the site, now filled with construction equipment, with pathways and lawns. There will be a community center, too.

Although controversial with the community when first proposed, Fairey points now to the people who — simply based on driving past the site — now want to live there.

Why isn't more housing being built?

The No. 1 reason for a lack of new housing construction is because developers lack essential capital. But that could change. Gov. Maura T. Healey and her administration have proposed a historic-sized housing bond bill of \$4.12 billion.

"It's going to benefit Western Massachusetts. Your region," said Lawrence H. Curtis, president and managing partner at WinnDevelopment. His company's track record includes construction of nearly 200 developments in 11 states and Washington, D.C.

Healey's proposal is quite a jump from the \$1.8 billion housing bond bill that Gov. Charlie Baker's administration passed in 2018. That money, from a five-year-bond bill, is about to run out.

Meanwhile, developers of housing — public, private and nonprofit — wait for word on passage of the housing bill, while working on existing projects and planning for the future.

Winn finished work in 2023 as a partner rehabbing long-vacant 13-31 Elm St. in Springfield, a project yielding 74 new apartments. The company also is building 95 apartments for people age 55 and older in the newest phase of Ludlow Mills and 88 apartments in the first phase of the Farr-Alpaca Mill rehab on Appleton St. in Holyoke.

Curtis said of potential developments: "We're looking at more mills. ... We are always creating the pipeline of development," he said.

Timothy Sheehan, Springfield's chief economic development officer, said businesses are taking fresh looks at old and under-used city sites, too.

"All of the developers are looking at how best they can balance the cost of development and get the best return," Sheehan said. "These projects have to pencil out."



Lawrence Curtis, the president and managing partner of WinnDevelopment, applauds during a groundbreaking ceremony on Nov. 20 for 88 housing units for senior citizens at the former Farr Alpaca Mill in Holyoke. State Rep. Pat Duffy is on the right. (Don Treeger / The Republican) The Republican

It takes too long, and it's costly

In Holyoke, city Planning and Economic Development Director Aaron Vega greeted the groundbreaking at the Farr-Alpaca project with joy, but he pointed out that it took seven years to get those 88 apartments under construction.

"That isn't going to cut it," he said.

If the bond bill passes — as a former state representative, Vega has high hopes — he expects that long-anticipated projects, such as the next phase at Farr Alpaca or additional housing at the mixed-use Open Square redevelopment, will have a shorter timespan from plans to construction and final product.

Before, after and in between those key steps in building are the costs. Fairey noted that it can cost as much as \$450,000 per unit when building multifamily housing.

Waiting on multiple sources of funding

For Gordon Pulsifer, of First Resource Development Co., that means cobbling together private financing and public funding, along with state and federal tax credits encouraging the rehab and reuse of historic buildings.

"We have so many opportunities in Springfield. There are so many historic buildings," Pulsifer said. "So Springfield is lucky. Very fortunate that we have so much historic fabric in the city."

First Resource opened the \$57 million, 92-unit Knox Residences development in a historic former car factory overlooking Mason Square in fall 2023. It filled almost immediately.

Other future projects include the Residences at the Vault, an old bank renovation project, and the long-delayed rehab of the old school department building at the foot of State Street into its planned Merrick Park Apartments.

"But yet both projects sit here today, unfunded, but ready to go, and it could be another year on one and several months on another," Pulsifer said. "And we sit here waiting."

Pulsifer said just getting money available for projects is not enough. The state also has to invest in staff to review applications and get money out the door, where it can do some good, he said. He's told as much to the new state Housing Secretary Ed Augustus, on the latter's trips to visit Springfield projects.

"The distribution of resources has to be quicker," Pulsifer said.



Gordon Pulsifer, president of First Resource Development Co., explains his vision for the Knox building before the Springfield City Council in City Hall. First Resource opened the \$57 million, 92-unit Knox Residences development in fall 2023. It filled almost immediately. (Jim Kinney/ The Republican, File)

Cost of homelessness is worse

Donald Mitchell, managing director of Renaissance Development, which is rehabbing the Kavanagh Furniture building at 443 State St., said demo work is completed, and the part of the building that won't be reused is already down. The site will be transformed into 35 or 36 apartments.

He said if the bond bill passes, his company has plans to work with the Mental Health Association of Springfield to develop supportive housing.

And he's got a message for people who blanch at the price tag. It is expensive, he said, to build this type of housing.

"But it's not as expensive as the cost of recurrent homelessness," Mitchell said.

To house a family of three in emergency shelter, it costs the public about \$105,000 a year, about \$8,000 more than the annual cost of a publicly-funded housing subsidy, according to national advocates.



Outlook 2024: Wayfinders builds new community in Agawam