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READERS' CHOICE AWARDS: SPECIAL-NEEDS FINALIST

## Gatehouse Mixes Supportive Housing with Small Business

BY BENDIX ANDERSON

**BOSTON, MASS.** - The new Gatehouse building isn't just home to 14 recently homeless individuals or people at risk of becoming homeless. It's also a place for them to restart their working lives at one of three small nonprofit businesses with offices in the building: HomePlate, a catering company; Project Pepsi, a vending machine business; and Clean Corners Bright Hopes, a parks maintenance firm. The Gatehouse also includes in its six stories a restaurant on the ground floor and a commercial kitchen for Hope Plate.

The mix of uses made the Gatehouse a candidate to receive funding under the New Markets Tax Credit program (NMTC), a federal program meant to stimulate economic development. NMTCs rarely finance housing, let alone supportive housing, which offers its residents permanent rental housing along with intensive services like drug counseling.

At least 20 percent of the income at a mixed-income NMTC property must come from its retail or office space. The mix of uses at the Gatehouse easily meets that standard. Also, the competition to win federal NMTCs is less intense than the fight for LIHTCs, and Project Place, the nonprofit developer that created the Gatehouse, didn't have the time to apply for funding and lose.

This year, Project Place will help about 200 people by offering on-the-job training in the nonprofit's three businesses. Of those 200, typically about 160 graduate from Project Place's programs and get their own jobs. Two years later, an average of roughly 80 will still be employed.

That's a very high success rate, considering that most of the people helped by Project Place have spent time in jail or face problems with addiction or both, and it bodes well for the residents at Project Place's first affordable housing development.

The Gatehouse will provide its residents housing for as long as they need it and as long as they can follow its strict rules, such as a ban on alcohol and limits on guests. Suzanne Kenney, executive director of Project Place, expects that her tenants will want to move out once they have stabilized their lives and are steadily, gainfully employed. The studios are tiny, ranging between 239 and 294 square feet apiece.

That efficiency actually helps with the structure's green design. The building is designed to use 45 percent less energy than a conventional mid-rise and to meet the gold certification standards under the U.S. Green Building Council's Leadership in Energy and Environmental Design rating system.

Developments that receive a reservation of NMTCs must also receive a certain amount of qualified equity investments before the NMTCs are released.

Fortunately, Project Place has many friends with deep pockets. The \$11.4 million Gatehouse received more than \$2 million donated by individuals and corporations, in addition to the more than \$2.3 million Project Place itself invested in the Gatehouse, including equity from the sale of its old row house and headquarters. The Gatehouse also received a combined \$2 million in city and state HOME funds, in addition to other smaller grants. About \$2.8 million in equity was raised through NMTCs.

The friends of Project Place also helped decorate: Some of the best interior designers in Boston volunteered their time through an adopt-a-room program that gave each of the apartments the kind of snazzy look more common in expensive condos than low-rent apartments.



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**Additional project information, as provided in application by the nominator.**

**Q. Why does the nominated project deserve to be recognized based on the award criteria of this contest?**

**A.** Gatehouse may be smaller than other projects in the number of units it has created, but it is having a tremendous impact on the tenants, the neighborhood, and Project Place, the developing agency. A mixed-use building, the project was developed to fit in with the neighborhood. Located at a critical intersection entering the Washington Gateway neighborhood, we have ground-level retail space that will offer a new restaurant right at the bus stop. The next three floors house Project Place's program: computer labs, a commercial kitchen, classrooms, and case manager and staff offices. There is also a large community dining/meeting room. The top two floors provide 14 studio units and shared common areas for tenants.

The project has had a positive impact on the community, improving a previously vacant lot with a beautifully designed and environmentally friendly building that fits in perfectly with the historic and current building uses along Washington Street. This part of Boston's South End neighborhood has been one of the last to be revitalized, and the Gatehouse project has created an anchor of growth and activity. The units are 100 percent affordable to low-income individuals, critical for the community and tenants. Almost every neighborhood that has experienced gentrification in Boston has become unaffordable to its original residents, which often results in a loss of community diversity. Because Project Place's units will be affordable, they will help to maintain the neighborhood's diversity. Project Place has been a part of the South End for almost 40 years, and we will continue to be a strong neighbor. We have agreed to maintain the community park next door through our Clean Corners...Bright Hopes maintenance training business.

The Gatehouse project is an innovative building. We adopted a green design approach, which encompasses all aspects of use and considered the environmental consequences of choices. The U.S. Green Building Council's Leadership in Energy and Environmental Design standard for new construction is a green building rating system that was designed to guide and distinguish high-performance commercial and institutional projects. This building was designed to achieve a "Gold" level certification, and we expect to save at least 45 percent of energy costs relative to a typical building. Occupants will be provided with nontoxic materials, and far better ventilation than normal. The building is a great example of good design and construction process management responding to environmental challenges.

Most impressive was our Adopt-A-Room program. Through this program, 14 high-end local interior designers "adopted" the housing units and common areas, and through donated time, materials, and labor, turned plain white rooms into warm, inviting, beautiful homes. This program has been noted by the media, as it is unusual to have such a coordinated large-scale, communitywide effort associated with low-income housing.

**Q. How does this project represent an innovative solution to a specific development challenge?**

**A.** Four years ago, Project Place was faced with some difficult decisions. Our programs serving homeless individuals in Boston needed to grow, improve, and remain current, but we had outgrown our site. At the same time, we faced a deepening crisis: our clients who successfully completed our employment, housing, and service skill programs were finding it increasingly difficult to find and maintain affordable housing in the city, even after they had achieved their goals of obtaining a job, overcoming past obstacles to their own stabilization, and developing basic life management skills.

Our focus became providing permanent housing that offered support for clients transitioning from homelessness—in some cases years of chronic homelessness—and helping them build the long-term skills needed to maintain housing and employment. This long-term support is critical to ensure that individuals remain housed through the transitions that occur after they graduate from a training program—becoming independent, reuniting with family, facing obstacles in their jobs, managing difficult finances, and often, maintaining new sobriety. The mixed-use building would also allow us to expand our program work.

Gatehouse is the solution to the challenges we faced, offering an opportunity to create 100 percent affordable housing units, space for our programs to expand and improve, and remain a part of and contribute to the community we have had a presence in for the past 40 years. Gatehouse offers the neighborhood an exceptionally designed, environmentally friendly building that stabilizes a critical corner, adds to community space, and promises the permanent provision of affordable housing in a neighborhood experiencing rapid gentrification. This assurance of affordable housing will contribute to maintaining the diversity of the neighborhood.