

HOMELESS TO HOUSED

Terwilliger Center for Housing



Harbor Crossing facade before renovations began. (Courtesy of North Shore CDC)

CASE STUDY: HARBOR CROSSING



Facade of the Harbor Crossing building, displaying the mural titled "The Red House" by Colombian artist, Ledania. (Courtesy of North Shore CDC)

SALEM, MASSACHUSETTS

LOCATION:

15–17 Harbor Street
Salem, Massachusetts

PROJECT TYPE:

Non-time-limited, supportive, affordable housing for young adults (ages 18 to 24)

SIZE:

Lot Size: 0.082 acres

Facility Size: 7,000 square feet

Total Capacity: 16 efficiency apartments and one live-in unit for the resident manager

OWNER:

North Shore Community Development Coalition (North Shore CDC)

OPERATOR:

North Shore CDC

PARTNERS:

Developer/Owner: North Shore CDC

Contractor: Groom Construction Co. Inc.

Property Management: Peabody Properties

COST:

\$7.5 million (total development cost)

COMPLETION DATE:

March 2019

CONTACT:

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Interior view of the spacious living area and large bay windows. (Courtesy of North Shore CDC)

Project Overview

Nestled on Harbor Street in the Salem, Massachusetts, historic Point neighborhood, Harbor Crossing represents a pivotal North Shore Community Development Coalition (North Shore CDC) project. Located at 15–17 Harbor Street, Harbor Crossing is North Shore CDC’s first apartment building dedicated to addressing the pressing needs of young adults ages 18 to 24 transitioning out of foster care or facing homelessness. It was remodeled in 2018 by ICON Architecture, North Shore CDC, and Groom Construction Co. Inc. as part of Harbor and Lafayette Homes’ renovations. North Shore CDC is a community development corporation based in Salem that invests resources in neighborhoods across the North Shore of Boston.

The idea for Harbor Crossing came together in 2017 during a Youth Homelessness Forum hosted by the city of Salem, where organizations, public schools, and constituents across the city came together to discuss the growing need for affordable housing. The forum’s participants included YouthBuild students from their Youth Workforce Development program and alums who spoke about the challenges of

finding safe, affordable housing or even shelter beds. YouthBuild is an award-winning, nationally affiliated workforce development program for young adults ages 16 to 24. It provides various services to participants, including mental health services and career readiness preparation. It also offers vocational training in construction, the culinary arts, and health care, as well as educational classes to help young adults earn their high school diplomas. These services support participants who benefit from nontraditional educational pathways. The lack of stable, affordable housing was a glaring challenge impacting young people’s ability to achieve literacy goals as well as their attendance, focus, and mental health. North Shore CDC followed up the forum by conducting a survey, which revealed that more than 70 percent of the young people it served were experiencing housing instability or homelessness.

The feedback from the forum and the survey prompted North Shore CDC to redevelop Harbor Crossing.

Formerly a residence catering to adults of all ages, Harbor Crossing shifted focus to accommodate unhoused young adults or those who have aged out of foster care. The building now boasts 16 micro-



The unit opens up to an upgraded and fully equipped kitchen. (Courtesy of North Shore CDC)

studio apartments, offering subsidized rent to alleviate financial burdens, and one one-bedroom apartment for the live-in residential manager (RM). In addition to the RM, a dedicated youth services manager provides on-site support.

Eligibility for residency includes the following:

- Being between 18 and 24 years old,
- Experiencing homelessness or transitioning from the care of the Department of Children and Families, and
- Meeting income criteria.

Additionally, residents commit to a minimum one-year lease and comply with occupancy agreement requirements, including background checks. Supportive services are tailored to individual needs, including life goal-planning; coaching; and referrals to employment, education, health care, and social services. Monthly community meetings and life skills groups foster a sense of belonging, complemented by advocacy and support from the Harbor Crossing team. Harbor Crossing is a practical solution to address the housing instability vulnerable young adults face, providing a supportive environment to facilitate their transition to independent living.

The Partnership

Harbor Crossing is the result of local organizations, city staff, and community members, most notably young people, coming together to envision and pursue housing solutions. It was a unique project marked by increased collaboration from the outset. Before this project, North Shore CDC's real estate team was working in a silo, disconnected from their community programming and public art as they focused on the predevelopment and project management phases, handling tasks such as permitting and closing and overseeing consultants, contractors, and architects, and ensured the project remained on schedule. Typically, upon project completion, the real estate team hands over management to Peabody Properties/Property Management, which works with North Shore CDC Resident Services staff only when interventions are necessary. However, for this project, the real estate team also facilitated the connection between Groom Construction Co. Inc., the project general contractor, and the YouthBuild team, integrating YouthBuild students into the rehabilitation process. This resulted in one of the property's shining achievements: not only were the young people in YouthBuild the genesis for this project, but they

also used the construction skills they gained in the program to help rehabilitate the apartments alongside Groom Construction. Another unique feature was that the Art + Design team played a pivotal role by selecting an artist to transform the building's exterior from a dull brown to a vibrant mural by Ledania, marking the first mural to cover the full facade of a building in the Punto Urban Art Museum. This project set a precedent for future endeavors, leading to increased collaboration and the integration of art and community programming in subsequent projects.

Building on the project's collaborative foundation, attention turned to ensuring new residents were well-supported as they moved into their new homes. In partnership with local organizations, the North Shore CDC's youth services manager took steps to provide residents with the resources they needed. When the 16 residents were selected from the lottery, the youth services manager worked with residents and Lynn Housing Authority and Neighborhood Development (LHAND) on security deposit assistance. LHAND then gave the residents gift cards to purchase groceries, heaters, and Massachusetts Bay Transportation Authority public transit passes. As a result of this project, the partnership with LHAND changed, and they currently fund North Shore CDC to be a member of the North Shore Housing Action Group (NSHAG). As a member, North Shore CDC provides emergency assistance services to unhoused young adults in North Shore/Essex County. Since becoming an NSHAG program provider in October 2021, North Shore CDC has provided emergency assistance to more than 125 unhoused young adults ages 18 to 25. Once the residents moved in, North Shore CDC partnered with Root North Shore, which delivered meal kits so the residents could access fresh, healthy food to prepare themselves. This partnership is ongoing.

Costs and Financing

Acting as the project sponsor, North Shore CDC oversaw this initiative. MassDevelopment authorized a tax-exempt bond worth \$3.448 million for Harbor

Lafayette Homes Limited Partnership in Salem. North Shore Bank facilitated the purchase of the bond. The partnership used the bond funds for the acquisition and renovation of two residential properties located in the Point neighborhood: 15–17 Harbor Street and 104–106 Lafayette Street.

Additionally, Clipper Ship Foundation, Church Home Society, and philanthropist Melissa Chang provided funds that allowed North Shore CDC to fully furnish all the apartments and offer welcome baskets with household items.

What Worked: The Project

Harbor Crossing is part of the Point neighborhood, which is situated next to Salem Harbor, encompassing 195 acres a few blocks south of downtown Salem. In 2020, the neighborhood had a population of 3,373 residents. Located within walking distance of health care facilities, schools, downtown Salem, and the commuter rail, Harbor Crossing is a neighborhood hub of community resources and services. A unique feature of this building is that it is part of the Punto Urban Art Museum, North Shore CDC's open-air museum that showcases 70 large-scale murals by 40 world-renowned and 25 Massachusetts-based artists. The mural on Harbor Crossing is titled "The Red House" and was created by Ledania, a Colombian artist, with support from fellow artists Amby and Goma.

The renovation plan transformed the Harbor Crossing building into 16 studio rental apartments and one one-bedroom apartment designated for a live-in residential manager. The renovation encompassed significant upgrades, including replacing exterior stucco, roofing, windows, and brick veneer. Additionally, bathrooms and kitchens were updated, new mechanical systems and insulation were installed, and wireless internet was made accessible to all residents free of charge. In addition, the main entry into the building was moved to a side entry to fully comply with the Americans with Disabilities Act

“I think the most notable and successful transition out of Harbor Crossing was a young person who became pregnant while living at Harbor Crossing. Although Harbor Crossing provided her with everything she needed as a single occupant, the space wasn’t conducive to raising a child. So we worked tirelessly together to apply to many different housing opportunities, including North Shore CDC’s first development in Gloucester, Harbor Village. The resident was selected in the lottery for a two-bedroom at Harbor Village and moved there in September 2020. She has since obtained child care and a steady job, and both are thriving in their housing placement.”

HANNAH ANSELMO, HARBOR CROSSING YOUTH SERVICES MANAGER

(ADA) Standards for Accessible Design. All 16 units occupied by residents are fully affordable, with rental vouchers from the Massachusetts Rental Voucher Program so that residents pay no more than 30 percent of their income on rent.

What Worked: The Program

North Shore CDC is a 501(c)(3) nonprofit that has led long-term neighborhood redevelopment efforts in Salem and surrounding communities. North Shore CDC employs a community-focused development model that allocates resources to low-income or distressed neighborhoods to enhance residents’ quality of life. In 2012, as part of their community-focused model, they began a collaborative planning effort for the Point neighborhood. This effort led to creating an action plan for building and strengthening the Point neighborhood. North Shore CDC and the action plan were key in establishing a reinvigorated vision for the neighborhood. From 2012 to 2023, North Shore CDC built new or renovated and modernized 36 buildings and 306 apartments.

The Harbor Crossing project was particularly noteworthy for several reasons. It is the first permanent affordable housing opportunity for young adults in eastern Massachusetts. Another notable

aspect is the early partnership between YouthBuild and the youth services manager to identify and help potential residents get their paperwork submitted to qualify for the apartments. In addition, not only was the development North Shore CDC’s first fully furnished project in Salem, but also North Shore CDC provided residents with welcome baskets with necessities, including cleaning supplies, sheets, and laundry baskets. Residents also have access to all of North Shore CDC’s services, including case management, to support them in addressing barriers to success, such as housing, obtaining mental health services, and securing child care. And residents have access to budgeting and financial management workshops. North Shore CDC has strengthened its partnership with Root, a nonprofit based in Salem that offers food service training to young adults. Harbor Crossing residents have completed Root workforce development programs, with some residents earning ServSafe Manager certificates and other industry-recognized certifications.

Challenges

The project presented several challenges, which the team effectively addressed by collaborating with partners and residents. These challenges included modernizing and revitalizing an outdated building,

incorporating a small office for the youth services manager, and creating an ADA-compliant entryway along with two ADA-accessible apartments.

After the team successfully navigated the initial hurdles of modernizing the building and ensuring accessibility, they faced management challenges and hurdles to establishing norms that would benefit the residents and their neighbors. These issues were addressed when North Shore CDC found a resident manager who took the lead on improving community relations and nourishing a harmonious living environment.

Outcomes

Harbor Crossing has made a positive impact on the lives of community members. Since 2019, Harbor Crossing has served 28 young adults, 12 of whom have moved into various permanent housing situations. Project services provided by the youth services manager enabled several residents to achieve their professional and housing objectives.

Other residents also achieved their goals. A YouthBuild graduate who was one of the first residents at Harbor Crossing successfully transitioned into more permanent housing.

Throughout his time at Harbor Crossing, he worked closely with the youth services manager to find employment to sustain his housing and purchase a vehicle, both of which he was able to achieve. He has been working full time since July 2023 and moved into private-market housing.

North Shore CDC's community building and revitalization efforts have also benefited the larger Point neighborhood. Although North Shore CDC started in 2011, the founding organization, Salem Harbor Community Development Corporation, began working in the Point neighborhood in 1978. Throughout the decades, North Shore CDC has become a trusted organization within the community. Harbor Crossing is also remarkable because it was through this project that LHAND and North Shore CDC worked together, which opened the door for North Shore CDC to continue partnering with them and become a member of the NSHAG program to provide young adult housing outreach to people ages 18 to 24 who are experiencing homelessness. As part of this effort, North Shore CDC hosts events every other month for both Harbor Crossing residents and young people connected with their housing outreach work, including movie nights, game nights, planting/pot decorating, and so much more.

HOMELESS TO HOUSED: PROJECT PRO FORMA

NAME: Harbor Crossing	BRIEF DESCRIPTION: Non-time-limited, supportive, affordable housing for young adults (ages 18–24)
LOCATION: 15–17 Harbor Street, Salem, Massachusetts	
SPONSOR: North Shore Community Development Corporation	
NUMBER OF UNITS/RESIDENTS SERVED: 16 efficiency apartments and one live-in unit for resident manager	
SIZE (SQUARE FOOTAGE): 0.082 acres; 7,000 square feet	

DEVELOPMENT PRO FORMA

	TOTAL (\$)	PER RES./UNIT (\$)
USE OF FUNDS		
Acquisition of land and/or building	1,850,000	68,519
Architecture, engineering, and entitlement costs	290,823	10,771
Construction costs	3,629,844	134,439
Legal and professional costs (LIHTC fees, legal, audit)	132,554	4,909
Additional equipment and related costs	24,110	893
Development fees	914,290	33,863
Interest during construction	122,973	4,555
Real estate taxes during construction	12,866	477
Other costs	528,900	19,589
Total uses, capital cost	7,506,360	278,013
SOURCE OF FUNDS		
Permanent debt	1,200,000	44,444
Equity	2,350,972	87,073
Other (soft subsidy, other loans)	3,929,392	145,533
Philanthropic capital, government grants, or similar	25,996	963
Total sources	7,506,360	278,013

OPERATING PRO FORMA

	TOTAL (\$)	PER RES./UNIT (\$)
ANNUAL REVENUE		
Revenue from residents	14,033	877
Revenue from resident-related sources (vouchers, etc.)	315,072	19,692
Revenue from other sources (grants, philanthropy)	50,000	3,125
Revenue from residents	42,684	2,668
Revenue from resident-related sources (vouchers, etc.)	(14,829)	(927)
Revenue from other sources (grants, philanthropy)	1,385	87
Total revenue	408,345	25,522
ANNUAL EXPENSES		
PROPERTY OPERATIONS		
Salaries	91,348	5,709
Repairs and maintenance	18,784	1,174
Utilities	33,876	2,117
Taxes	15,697	981
Insurance	13,938	871
Other property-related expenses (mortgage principal + interest)	47,535	2,971
Total property operational expenses	221,178	13,824
RESIDENT SERVICES		
Salaries	57,329	3,583
Contract services	26,311	1,644
Other (administrative costs: bank services, IT licensing, accounting fees, legal fees, asset management, marketing)	14,055	878
Total resident services	97,695	6,106
Total expenses	318,873	19,930
Net revenue	89,472	5,592

About the Urban Land Institute

ULI is a nonprofit education and research institute supported by its members. Its mission is to shape the future of the built environment for transformative impact in communities worldwide. Established in

1936, the Institute has more than 48,000 members worldwide representing all aspects of land use and development disciplines.

About ULI Homeless to Housed

Homeless to Housed (H2H) recognizes that ULI members are well positioned to help address homelessness. With generous support from a growing number of ULI members, the initiative works to explore real estate solutions to the growing crisis affecting communities everywhere. Core elements of this work include conducting research, promoting cross-sector collaboration, providing local technical assistance through ULI's network of district councils, and sharing knowledge and expertise for addressing housing challenges for individuals and families.

This initiative began through the 2022 research report *Homeless to Housed: The ULI Perspective Based on Actual Case Studies*. Driven by the

generosity and guidance of Preston Butcher, the report explores the role the real estate community can play in addressing the issue of homelessness. It includes a summary of lessons learned, a blueprint for how to replicate best practices in U.S. communities, and a series of case studies that demonstrate how the development community can be an active partner in addressing the critical shortage of housing in the United States. See the full report and companion case studies: uli.org/h2h.

uli.org/homelessness
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