

# 50 Projects – 50 States: Texas

## Heimann Building San Antonio, TX

The Cattleman Square Historic District in San Antonio, Texas was once the center of Alamo City's commercial district and high-end retail stores. The construction of an interstate highway in the 1970s, however, isolated the neighborhood and led to disinvestment and the deterioration of the once vibrant community. Today, the Cattleman Square Historic District is one of the poorest and most neglected areas of the city.

A focal point of the square is The Heimann Building, a once luxury hotel that sits in the middle of this community, but the building was abandoned and gutted over 30 years ago. The Heimann Building was donated to AVANCE, a national nonprofit organization that provides Latino families support for parent education and early childhood development. With this building, AVANCE could expand into a community with a large Latino population and a strong demand for the organization's childcare and Head Start services.

The structure needed substantial work before it could be occupied and the organization lacked the resources to handle the \$6 million cost of the renovation. AVANCE raised \$2.1 million for the project, leaving a gap of \$3.9 million. As the CDE, the National Trust Community Investment (NTCIC) made an initial New Markets Tax Credit (NMTC) equity investment of \$246,965. NTCIC saw the potential to combine the federal Historic Tax Credit (HTC) with the NMTC to renovate a historic property and at the same time bring vital services and jobs to a low income community. Approximately \$3.2 million of the \$6 million renovation cost was eligible for the federal HTC.

Bank of America made a \$650,000 HTC investment in the project which enabled the bank to assume the 20 percent HTC on the \$3.2 million of HTC eligible renovation costs. The combined NMTC/HTC equity investment in AVANCE was \$904,635 and both investments were structured to remain in the project after the 7-year NMTC credit and 5-year HTC compliance periods end. AVANCE was able to use the \$2.1 million raised to fund 50 percent of the project cost with equity and financed the remaining \$3 million through a conventional lender at a lower rate. The newly expanded childcare and Head Start facility serves more than 60 low income Latino families through affordable, quality child care for young children that help parents maintain employment.

### *NMTC Allocatee*

**National Trust Community  
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### *Community Profile*

- 44% poverty rate
- Empowerment Zone
- SBA HUB Zone
- State Enterprise Zone
- Unemployment rate 2.5 times national average



### *Project Highlights*

- Real Estate: community facility
- Total Project Cost: \$16 million
- NMTC: \$246,965
- Other Financing: historic tax credits
- Jobs: 160 construction, 23 permanent