

Renovating a building that to help others find homes and opportunities.

PROJECT BASICS

Type:
Real Estate – Community Facility

Total Development Cost:
\$12.1 million

LISC New Markets Tax Credit Allocation:
\$12.1 million

PROJECT STAKEHOLDERS

LISC Program:
New York City LISC

Investor:
JPMorganChase Bank

Lender:
JPMorganChase Bank

Sponsor/Developer:
Center for Urban Community Services

Other Key Stakeholders:
Robin Hood Foundation

COMMUNITY NEED

- **44% Poverty Rate**
- **Unemployment rate 2.67 times the national average**
- **Family income 40% of the area median**

COMMUNITY IMPACT

- **25,200 sq. ft. of Community Space**
- **91 Construction Jobs**
- **120 Permanent Jobs**
- **25,407 clients served per year**

Project Snapshot:

- The project called for the acquisition and renovation of a six-story commercial loft building in the East Harlem neighborhood of New York City to create a total 25,200 sq. ft. of space.
- The project has allowed the Center for Urban Community Services (CUCS) to substantially expand its Career Network, as well as expand and relocate its Housing Resource Center. Expansion of the Career Network not only has increased capacity, but has also made available a more robust range of mental health rehabilitation services than what the program previously offered. Additionally, the site serves as the administrative headquarters for CUCS' executive, administrative, and fiscal staff.
- The expansion has allowed CUCS to offer its services to 25,407 individuals each year.



Project Background:

- The project reflects a growing demand for CUCS services. The NYC Department of Health and Mental Hygiene selected the CUCS Career Network program for expansion with new annual service targets of 1,200 individuals, most of whom will come from Central and East Harlem. Likewise, its Housing Resource Center had outgrown its prior location.
- Prior to its expansion, CUCS provided services to approximately 3,200 people annually, including 1,600 residents of permanent supported housing. Its Housing Resource Center (HRC) drew over 2,500 training participants each year from across the city in addition to providing housing directory and placement assistance services to other organizations and individuals in need. Its Career Network is a job training and placement program for individuals with multiple barriers to employment.
- CUCS is widely recognized as a leader in the advancement of progressive housing and service initiatives for homeless and low-income individuals and families, particularly those with mental illness, HIV/AIDS, substance addictions, and other disabilities and/or special needs. Its programs include street outreach, a drop-in center, two transitional and nine permanent housing programs, a scatter site housing program, vocational and employment services, and the Housing Resource Center.

Leveraging Solutions through New Markets Tax Credits (NMTC):

- As a non-profit organization dependent on public and private grants, CUCS faced significant obstacles to securing adequate financing under viable terms in an expensive real estate market. Our program offered a timely way to leverage existing financing and close the gap.
- \$12.1 million in NMTC allocation authority provided a custom product with non-traditional/favorable terms including: a below-market interest rate; a longer interest-only payment period; a higher loan-to-value ratio; and more flexible borrower credit standards.
- CUCS' Career Network utilizes a "work-first" job-training approach that provides subsidies to employers of program participants. This incentive, combined with the program's free training, offers a significant benefit to local businesses.