

PROJECT BASICS

Type:
Real Estate – Community Facility

Total Development Cost:
\$17.7 million

LISC New Markets Tax Credit Allocation:
\$10 million

PROJECT STAKEHOLDERS

LISC Program:
New York City LISC

Investor:
Goldman Sachs

Lender:
Goldman Sachs, Settlement Housing Fund

Developer:
Settlement Housing Fund

Other Key Stakeholder:
LIIF

COMMUNITY NEED

- **40.8% Poverty Rate**
- **Unemployment rate 1.55 times the National Average**
- **Family income 43.9% of the area median**
- **Federally designated medically underserved areas**

COMMUNITY IMPACT

- **24,000 SF Community Center**
- **28 Construction Jobs**
- **22 Permanent Jobs**
- **3,000-5,000 Persons Served Annually at Community Center, and 1,087 Students Served at School**

Project Snapshot:

- The project consists of the development of a 24,000-square-foot state-of-the-art community center within the same building as a new K-12 public school in the south Bronx. The community center will include a five-lane swimming pool, dance studios, a green roof learning terrace, multiple classrooms and a cooking classroom and kitchen.
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- Upon completion, the community center will provide various programs geared primarily to children and teens, but also to adults and seniors. The school expects to serve 1,087 students annually at full operation, and the community center expects to serve between 3,000 and 5,000 people per year.



Project Background:

- Founded in 1969, the project sponsor Settlement Housing Fund (SHF) has developed more than 57 projects containing 8,700 apartments that consist of rental units, cooperatives, condominiums, and two-family owner-occupied homes.
- SHF's affiliate, New Settlement Apartments (NSA), has developed an 18-year track record in youth development, neighborhood revitalization and community organizing, including working toward educational excellence in local public schools. Initially, programming at the community center is anticipated to build upon and expand the programs currently being offered by NSA, with new programming developed through operations.
- The project is an urban infill site which required environmental remediation and is built to meet the "green" requirements of the School Construction Authority, which is equivalent to be LEED Silver standards. The building will have a green roof, will incorporate energy efficient lighting, high recycled glass, low VOC building finishes, have low water use features, will be built using some recycled/renewable materials, and an energy efficient storm drainage system.

Leveraging Solutions through New Markets Tax Credits (NMTC):

- Although, SHF has been successful in obtaining commitments for \$6.2 million in City and State grants and private donations, along with a bridge loan facility from a private foundation for up to \$8.5 million, these funds do not cover the projected development costs. The additional amounts generated by the proposed NMTC transaction would cover these costs and also provide a cushion for potential cost overruns and/or to help fund operations.
- \$10 million in NMTC allocation authority provided a custom product featuring non-traditional/favorable terms included: below-market interest rate, lower than standard origination fees, higher than standard loan-to-value ratio, longer than standard amortization period, longer than standard interest-only payment period, and lower than standard debt service coverage ratio.