



New York

NMTC Allocatee

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Essex Crossing

Located on the Lower East Side of Manhattan, Essex Crossing - Site 6 is part of a \$1.2 billion multi-stage mixed-use development that consists of nine sites on six acres that have sat mostly vacant since 1967. This effort represents one of the most significant revitalization developments in the history of New York City. Phase One of the project includes development of Site 6, a 14-story, 177,448 square foot mixed-use development that will use both NMTCs and LIHTC funding as parts of its capital stack.

This project is an example of how the LIHTC and NMTC can be used side by side on different portions of a large scale project to meet a variety of community development goals. The financing for this project was partitioned into three separate parts between a NMTC-financed portion totaling \$42 million, a Low Income Housing Tax Credit (LIHTC) financed portion, and another portion used to finance a 3rd floor commercial condo. The project will include four floors of the building occupied by: a 51,000 square-foot medical facility/office space (leased by New York University); a 22,000 square-foot community center run by the non-profit Grand Street Settlement; a 4,000 square foot outdoor garden/open space; and 6,000 square feet of retail. An additional educational facility – not financed with NMTC equity – will be located on the third floor. The upper ten floors of Essex Crossing Site 6 will also include 100 units of affordable housing for seniors financed through LIHTC, which will benefit from easy access to the adjacent medical and social service tenants within the project as described above. Again, Site 6 is part of the first phase of Essex Crossing, which upon completion will include approximately 100 million sq. ft. of commercial condominium space.

The project came to the attention of Wells Fargo through its LIHTC group, which provided both debt and equity for the LIHTC component of Site 6. Wells Fargo’s NMTC team provided allocation to the transaction in addition to acting as NMTC investor for the project, ultimately providing \$34.5 million in NMTC investment capital to Wells Fargo Community Development Enterprises and its co-allocatees Low Income Investment Fund, and ESIC New Markets Partners, LP.

As of December 2016, project construction is under way and is projected to create 300 construction and 200 permanent jobs once it is operational. Two additional project phases are expected to be completed by 2024.

“It’s clearly fantastic to have an institution like NYU involved and from just a general standpoint we saw a hole in this market where we really felt the community needed doctors offices and services that NYU can provide,” S. Andrew Katz, a partner on the project’s development team told the Commercial Observer. “When you talk about responsible development and doing great things, this is sort of a dream come true, [being] able to do senior housing and medical.”

Community Profile

New York, NY

Poverty Rate	35.0%
Median Income Compared to AMI	45.9%
Unemployment Rate	9.5%

Project Highlights

- Investor: Wells Fargo Bank
- Co-Allocatees: Low Income Investment Fund, ESIC New Markets Partners, LP
- Total Project Costs: \$42M
- NMTC: \$34.5M
- Jobs: 300 construction and 200 permanent full-time

