

PROJECT BASICS

Type:

Real Estate – Community Facility

Total Development Cost:

\$5.7 million

LISC New Markets Tax Credit Allocation:

\$4.4 million

PROJECT STAKEHOLDERS

LISC Program:

Rhode Island LISC

Investor:

Bank of America

Lender:

**Woonsocket Neighborhood
Development Corporation, LISC**

Sponsor/Developer:

**Woonsocket Neighborhood
Development Corporation**

COMMUNITY NEED

- **26% Poverty Rate**
- **Unemployment rate 2.12 times the national average**
- **Family income 60% of the area median**

COMMUNITY IMPACT

- **14,200 sq. ft. of Community Space**
- **95 Construction Jobs**
- **36 Permanent Jobs**
- **New child care services for 104 young children.**

Project Snapshot:

- The project involves the renovation of the Hope Street School building in Woonsocket, RI to create over 14,200 sq. ft. of space.
- At completion, the facility was leased to a well-respected non-profit child care organization – Connecting for Children and Families (CCF). CCF uses the building to operate a high-quality child care center accommodating up to 104 children, ages infant-to-12, and house organizational offices.
- The project addresses the needs of the community's most at-risk populations, namely young children. More than 90% of the children served at the facility are expected to come from low-income households.



Project Background:

- The Hope Street School is a landmark in Woonsocket's Constitution Hill neighborhood. Added to the National Register of Historic Places in 2000, the red brick Colonial Revival structure was built in 1899 in response to demands to reform the education of immigrant children. Designed by Willard Kent, a local architect and engineer, the school remained a community focal point until its closure in 1977.
- The building's subsequent decline reached a low point in the early '90s when the private owner contributed to the failure of the city's largest credit union, but the State refused to foreclose on the developer's bank-owned asset and clear title to the building.
- During the second half of the decade, thanks to the Woonsocket Neighborhood Development Corporation (WNDC), the neighborhood benefitted from revitalization efforts. As people returned to the area, attention returned to the vacant and deteriorating school. Although the State assigned the building's mortgage to WNDC allowing it to foreclose on the owner and gain legal title to the School, the city initiated a competing legal challenge hoping to sell it to a private condominium developer. The community organized to oppose the city plan and advocated for a use that would align with local needs – namely, a childcare center. The city relented and the project came to life.

Leveraging Solutions through New Markets Tax Credits (NMTC):

- Given the project's non-profit tenant and its location in a community with high levels of economic distress, the project faced challenges to securing adequate financing. Our program offered a timely way to leverage available financing, close the gap, and preserve the project's community-mandated use.
- \$4.4 million in NMTC allocation authority provided a custom product featuring a mix of equity and debt. The product's equity feature was used to capture state and federal historic tax credits.
- The Hope Street School, a highly visible landmark, sits in the midst of beautiful housing previously developed and rehabilitated by WNDC. The school's transformation from its former state of neglect not only removes physical blight but also provides a powerful symbol of the community's renewal.
- The project provides a model for how NMTCs can be leveraged to accomplish one of the most challenging tasks of community renewal – building vital community facilities to address urgent local needs.