

Building the nation's first combined YMCA - YWCA facility.

PROJECT OVERVIEW

Type:
Real Estate – Community Facility

Total Development Cost:
\$31.6 million

LISC New Markets Tax Credit Allocation:
\$12.5 million

PROJECT STAKEHOLDERS

LISC Program:
Washington State LISC

Investor:
US Bank

Sponsor/Developer:
**YMCA of the Inland Northwest,
YWCA of Spokane**

Other Key Stakeholders:
**National Development Council,
Washington State, HUD**

COMMUNITY ECONOMICS

- **34.4% Poverty Rate**
- **Unemployment rate 3.5 times the national average**
- **Family income 34.5% of the area median**
- **CDFI Hot Zone**

COMMUNITY IMPACT

- **84,000 sq. ft. of Community Space**
- **Capacity to serve 31,000 individuals**
- **154 Permanent Jobs**
- **46 Construction Jobs**

Project Basics:

- The Spokane Central "Y" (SCY) is a joint project between the YWCA of Spokane and the YMCA of the Inland Northwest. Together, they will build the nation's first shared YMCA - YWCA facility.
- The project created 84,000 sq. ft. of space featuring two swimming pools, a full-size gymnasium, and space for an array of services that include: child-care, early childhood education, a Teen Center, and workforce and technology training.
- The SCY also provided dedicated space to house programs like Alternatives to Domestic Violence and the Homeless Children's Educational Resource Program.
- The project created 154 new positions between the two organizations and increased their combined capacity to serve nearly 31,000 individuals.



Project Background:

- Over the years, facility constraints have limited both organizations' ability to add capacity and keep pace with an ever-increasing demand for services. A relatively small philanthropic market also limited capacity-building. The project's collaborative design represents an innovative response to these conditions and reflects years of planning and negotiation.
- The SCY's site in downtown Spokane lies within Washington State's lowest income legislative district and is illustrative of the urgent need for services. There, 89% of children qualify for free or reduced price school lunch programs and are at significant statistical risk for underachieving in school and in life.
- The two programs have nearly 230 years of combined experience serving the community and addressing the needs of "at-risk" children and families.

Financing a Solution - New Markets Tax Credits (NMTC):

- The Spokane Central "Y" was funded primarily through charitable contributions; however, the risks of multi-year pledges and the uncertainty of a fundraising gap (at the time) posed obstacles to obtaining adequate bridge financing and starting the project on time. Our program offered a way to leverage existing contributions and secure the bridge loan.
- \$12.5 million in NMTC allocation authority provided a custom product with many non-traditional and/or favorable terms including: a below-market interest rate; a longer period of interest-only payments; a higher loan-to-value ratio; and a lower debt service coverage ratio.
- NCB Capital Impact and US Bank also provided \$9.0 million and \$5.0 million in NMTC allocation authority to the project.
- This first-of-its-kind partnership will yield over \$2 million in savings during the construction phase alone. The YWCA and YMCA also expect to realize additional operating efficiencies that stem from shared infrastructure and capacity. Both the project and the planning process it grew from provide a model for how other non-profit organizations can pursue facility collaborations.