

PROJECT BASICS

Type:

Real Estate – Community Facility

Total Development Cost:

\$11.8 million

LISC New Markets Tax Credit Allocation:

\$8 million

PROJECT STAKEHOLDERS

LISC Program:

Phoenix, AZ

Investor:

Wells Fargo Community Investment Holdings, LLC

Lender:

Educare Arizona

Developer:

Educare Arizona

Other Key Stakeholders:

Wells Fargo Community Development Enterprises, Inc.

COMMUNITY NEED

- **36.5% Poverty Rate**
- **Unemployment rate 1.59 times the National Average**
- **Family income 44.6% of the area median**
- **Enterprise Community**
- **CDFI Fund Hot Zone**

COMMUNITY IMPACT

- **33,000 sq. ft.**
- **33 Construction Jobs**
- **63 Permanent Jobs**
- **Will serve 191 children ages birth to five and their families**

Project Snapshot:

- Educare Arizona is a high-quality early childhood education and health program which will open in fall 2011. It will be located on land donated by the Balsz School District on the grounds of the Brunson-Lee Elementary School.
- The new 33,000 sq. ft. center will have an annual full-year operating budget of \$3.2 million.
- Educare Arizona will serve up to 191 children, ages birth to five and their families. While the majority of the children in the center will be low-income and Head Start eligible, Educare Arizona will also serve a smaller number of higher income children in recognition of the research showing that all children benefit from socioeconomic diversity in the classroom.
- One-third of the space in each center – and one-third of the operating budget – is devoted exclusively to the needs of adults. Services range from parenting activities in the training center to family support and referral.
- The Balsz Educare Arizona Health Center will be located on the site to address the physical, dental and social-emotional health needs of families in Educare Arizona and throughout the school district. The clinic will also serve as a clinical practicum site for student nurses, student nurse practitioners, dental students, dental hygienist students, and both allopathic and naturopathic medical students. The Center will be operated by Scottsdale Healthcare.



Project Background:

- The Educare program model refers to a national network of quality early childhood centers that combine the best of Head Start, child care, preschool and family supports to help low-income children grow up eager to learn and ready for school.
- Educare Arizona is supported by a partnership of stakeholders including: The Whiteman Foundation, Ibis Foundation, Steve Nash Foundation, Buffett Early Childhood Fund, the Virginia G. Piper Charitable Trust, Balsz School District, Southwest Human Development, Scottsdale Healthcare, and Arizona State University.
- Educare Arizona is working toward LEED certification of Silver or higher. Environmentally sound components of the building's design and operation include the use of a solar thermal water heating system and a high-performance envelope design and appropriate HVAC systems to ensure energy efficiency. In addition, the building has been designed to take advantage of natural daylight in classrooms to reduce electrical lighting loads.

Leveraging Solutions through New Markets Tax Credits (NMTC):

- While strong program support has allowed Educare Arizona to successfully raise approximately 80 percent of the funds necessary to construct the project, NMTC financing is necessary in order to fill the gap to ensure that the sponsor has sufficient funding to complete the project in time for the opening in the fall of 2011.
- \$8 million in NMTC allocation authority provided a custom product featuring non-traditional/favorable terms included: subordinated debt, below-market interest rate, lower than standard origination fees, longer than standard interest-only payment period, longer than standard amortization period, higher than standard loan-to-value ratio, and lower than standard loan loss reserve.