

Minnesota

NMTC Allocatee

National New Markets Tax Credit
Fund (CRF)
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621-305-2055

Community Profile

Minneapolis, MN

Poverty Rate	35%
Median Income Compared to AMI	44.8%
Unemployment Rate	1.43x nat avg

Project Highlights

- Investor: Chase
- Total Project Cost: \$7M
- NMTC: \$6.7M
- Jobs: 15 full-time equivalent jobs, 75 construction jobs

Banyan Building

Located in one of the most economically challenged neighborhoods in Minneapolis, Banyan Community works to transform lives by developing youth, strengthening families, and creating community in an area struggling with drugs, gangs and grinding poverty. Banyan reaches more than 1,275 people a year through a combination of neighborhood block clubs and youth/family programming. Of the more than 1,600 families in the neighborhood, 82% are people of color and 83% of Banyan youth are African American or Latino. Forty-six percent of all children live in poverty in the portion of the Minneapolis' Phillips Neighborhood that Banyan serves.

Since founder Joani Essenberg launched Banyan in her house in 1990, it has grown to be a national model for building a community from the inside out. In 2000, Banyan began leasing a 9,000 square foot community center, where it thrived for the next 15 years. A short-term lease, combined with a need to expand services and eliminate a waiting list of 100 youth, led to a desire to find a place of their own to serve as a community anchor for future generations of families. While they were able to raise \$4.7 million to build a new facility, they still faced of \$2.3 million gap to be able to complete the \$7 million project. Due to the short-term nature of their existing lease, a delay for an indefinite period of time because an inability to access capital could have meant a disruption to the programs that were vital to the community.

Banyan Center identified the NMTC as a way to fill the gap in financing. CRF was able to provide \$6.7 million in NMTC financing, with Chase Community, LLC as the investor (a subsidiary of Chase Bank). Without the NMTC, the project could not have moved forward.

With NMTC financing, Banyan Center was able to build a 31,000 square foot facility that includes: study rooms for high schoolers, elementary and middle school space, laundry facilities for busy families, community classrooms, a gymnasium, computer lab, shared dinning space, commercial kitchen and space to add a pre-school. A new building doubled Banyan's capacity to serve young people and eliminated the 100 person the waiting list.

The new facility will bring increased stability to families and youth who connect with Banyan, along with Banyan's staff, all 13 of which reside in the neighborhood and have deep roots in the community. Banyan expects to add more than 15 new permanent full-time positions, all providing living wages, and the project also generated 75 temporary construction jobs. Thanks to the new center, Banyan can now serve 250 students with its after school programs, 94% of which are eligible for free and reduced lunch.

