

New Jersey

NMTC Allocatee

Community Loan Fund of New Jersey, Inc.
d/b/a New Jersey Community Capital
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Hahne & Co. Department Store Building

The historic Hahne & Company Department Store building (“Hahne’s”) on Broad Street in downtown Newark, New Jersey, once stood as an emblem of the city’s prominence. Vacant for nearly thirty years, it now reflects the city’s subsequent decline. Over the last decade, public and private investment are returning Newark to its role as a cultural and economic hub, and a revived Hahne’s building will become a centerpiece of the downtown neighborhood once again, providing a mix of retail, residential, and commercial uses. The Hahne’s redevelopment, led by L+M Development Partners Inc., includes careful restoration of the existing historic structure and the construction of a new twelve story mixed-use building on an adjacent site. When completed, it will offer 80,000 square feet of retail space, including: a Whole Foods Market for a neighborhood lacking a full-service grocery store; 160 mixed-income residential units; and 95,000 square feet of commercial, community, and office space, including a new home for Rutgers University’s Department of Arts, Culture, and Media.

New Jersey Community Capital through its CDE, Community Loan Fund of New Jersey, Inc. (“CLFNJ”, a statewide CDFI) and tax credit investor Goldman Sachs (“GS”) identified this project as a prime candidate for NMTC financing. The redevelopment will bring a great number of jobs and amenities to a transitioning but still “severely distressed” community, but would not have been viable without a means to subsidize rents for its commercial tenants. CLFNJ and GS provided the project with NMTC allocation totaling \$14.1 million (9.1M - CLFNJ; 5M - GS New Markets Fund), which directly financed a portion of the office and retail space in the existing building, including the flagship Whole Foods. Additional sources of funding in this \$174 million deal included state housing finance and economic development agencies, nonprofit CDFIs, and conventional debt and equity.

The Hahne’s project is a catalytic one for downtown Newark, anchoring a stretch of redevelopment along Broad Street. The 28,000 SF Whole Foods Market will deliver both healthy, sustainable food options and quality permanent employment opportunities to neighborhood residents. Affordable rental rates have allowed a range of additional nonprofit and community-based institutions to come to the development, including City National Bank, a minority owned and managed bank that was able to keep its headquarters in Newark by moving to Hahne’s. The Rutgers space will create a new teaching and work environment for over 60 of the University’s staff and faculty, and a 250-seat auditorium-style classroom for the general use of all departments and the broader community. The development also ensures that there are affordable places to live as the city of Newark continues to grow. Of the 160 residential units, 54 units are reserved for households earning at or below 60% of area median income and 10 units reserved for households earning at or below 40 percent of area median income. In total, the project will create approximately 570 jobs, 350 of which are construction and 200 permanent non-construction jobs.

Community Profile

Newark, NJ

Poverty Rate	45.6%
Median Income	47.7%
Compared to AMI	
Unemployment Rate	18.9%

Project Highlights

- Investor: Goldman Sachs
- Co-Allocatee: GS New Markets Fund
- Total Project Cost: \$23.5M
- NMTC: \$14.1M
- Jobs: 350 construction and 200 full-time permanent jobs
- Medically Underserved
- TIF/Enterprise Zone
- Food Desert

