



# Halsey Street Workforce Housing

Newark, NJ

## THE PROJECT

Building America CDE provided \$10 million in New Markets Tax Credits to the \$65 million Halsey Street Workforce Housing project, the second phase of a larger Teachers Village development in downtown Newark, NJ. This phase of development will contain three buildings with 123 residential units, all affordable to families earning under 80% of the area median income, and 28,000 square feet of retail space. An important goal is to attract teachers and other working families back to the city.

*“This city desperately needs housing that appeals to, and is affordable for, Newark’s educators....I wholeheartedly support projects like Halsey Street Teachers Village that provide high-quality affordable housing for our community’s teachers.”*

— Joseph Del Grosso, President  
Newark Teachers Union, AFT Local 481

## COMMUNITY IMPACT

Newark has experienced decades of disinvestment and is one of the most economically depressed cities in the country. The loss of its middle-class and the associated tax base has left Newark struggling with a high unemployment rate, poorly performing schools, and an aging, blighted housing stock. To revitalize downtown, the City of Newark developed a comprehensive plan for the South of Market area calling for 15 million square feet of development, including 8,000 residential units, 550,000 square feet of retail space, 4.75 million square feet of office space, and 7.7 acres of open space. The Halsey Street Workforce Housing project will be one of the first phases completed under this plan, bringing needed development to a neighborhood with a poverty rate of 36% and an unemployment rate of 16.5%.

Also part of the larger redevelopment are three charter schools that will serve over 700 children age 3 to 14. A daycare center that has served Newark for over 40 years will also locate here. The schools and daycare program will help address the poor performance of the Newark Public Schools system, where 11 of the 15 elementary schools are rated as failing and the high school dropout rate is double the state average. The American Federation of Teachers local union has endorsed the project.



*“It’s good to be part of a major project like Halsey Street that is going to help turn around our community and bring working families back to downtown Newark.”*

—Marty Schwartz, President  
Essex County Building and Construction Trades Council

The Halsey Street Workforce Housing project will create affordable housing that teachers and other local workers can afford. The retail includes improvements to existing stores and provides for a grocery store and new restaurants to serve this neglected community. The neighborhood is walking distance to Newark Penn Station, a major transit hub.

The project is expected to generate over 300 construction jobs and another 360 additional construction-related jobs across the state of New Jersey. It is also expected to create 160 permanent jobs, with a preference going to local residents.

The project has been designed to receive LEED Silver certification.

## FINANCING

A \$30.2 million leveraged loan from Goldman Sachs and Prudential Insurance Company and \$9.2 million in both land and equity from the developer were leveraged in the New Markets Tax Credit transaction. There was also \$5.2 million of debt on the project from the Casino Redevelopment Authority. The National Community Investment Fund, Goldman Sachs, Building America, and Carver Bank allocated \$41 million of tax credits to the project.

## DEVELOPER

The project’s developer is RBH Group, a New York City and Newark based real estate investment firm.

## ABOUT BUILDING AMERICA

Building America CDE was established as a subsidiary of the AFL-CIO Housing Investment Trust (HIT) in 2010. The U.S. Treasury Department’s CDFI Fund certified Building America as a Community Development Entity, making it eligible to offer federal New Markets Tax Credits to investors. Building America was awarded \$35 million of these tax credits in 2011 and received a second allocation of \$50 million in 2012. Building America’s parent company, the HIT, is a fixed-income investment company registered with the Securities and Exchange Commission. It manages \$4.6 billion in assets for over 360 investors, which include union and public employee pension plans. The HIT invests primarily in government and agency insured and guaranteed multifamily mortgage-backed securities. The HIT is one of the earliest and most successful practitioners of socially responsible, economically targeted investing, with a track record of almost 50 years that demonstrates the added value derived from union-friendly investments.