

Halsey Street Teachers Village (B)

Newark, New Jersey

THE PROJECT

Building America CDE provided \$7.7 million in New Markets Tax Credits (NMTCs) for the Halsey Street Teachers Village Workforce Housing Project B, the last phase of a larger development known as Teachers Village in downtown Newark, New Jersey. This phase has 81 residential units, designed to be marketed to teachers and other working families in an effort attract them to downtown Newark. The development also has 10,000 square feet of retail space.

COMMUNITY IMPACT

Newark is one of the most depressed cities in the country, struggling with high unemployment, poorly performing schools, and an aging, blighted housing stock. Halsey Street Workforce Housing B brings needed development to a neighborhood with a poverty rate of 35% and an unemployment rate of 18.3%. To revitalize downtown, the Teachers Village project sponsor, RBH Group, worked with the the City of Newark to develop a comprehensive master 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.


As part of this larger plan, the entire Teachers Village development is designed to be a catalyst for the much-needed revitalization of downtown. The development includes 3 charter schools that serve over 700 children age 3 to 14 and a daycare center operated by an organization that has served Newark for over 40 years. The schools and daycare program will help address the poor performance of the Newark Public Schools system. The new residential units are priced at below market rents for public educators, allowing them to live in a supportive community close to where they work. The development of quality housing for teachers is an important tool for the City as it works to recruit and retain the qualified teachers needed to strengthen Newark's schools. The Newark Teachers Union, AFT Local 481 has endorsed the project.

The community revitalization includes the integration of local businesses as well as improvements to existing stores, a new grocery store, and restaurants. The development is within walking distance to Newark Penn Station, a major transit hub.

The project generated an estimated 100 union construction jobs and created 59 permanent jobs, with a preference for hiring local residents.*

The Teachers Village project received LEED-ND Silver certification.

**Job and economic benefit figures in this report are calculated using an IMPLAN input-output model developed by Pinnacle Economics, Inc.*



“We are pleased that our members are being put to work on this major project that is going to help revitalize our community.”

— Bill Kennedy, Essex County Building and Construction Trades Council

FINANCING

A leveraged loan using proceeds from Deutsche Bank and the New Jersey Urban Transit Hub Tax Credit Program was leveraged in the New Markets Tax Credit transaction. Chase New Markets Corporation, Community Loan Fund of New Jersey and Building America allocated a total of \$17.1 million of tax credits to the project; Chase was also the tax credit investor.

DEVELOPER

RBH is a Newark based full-service real estate financing, development, and management company. Ron Beit, founding partner and CEO, has acquired, developed, rehabilitated, and/or operated over 1 million square feet of office, retail, industrial, hotel, and residential space in over 30 projects throughout the United States.

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. More information is available on Building America’s website, buildingamericacde.com. The HIT is a fixed-income investment company registered with the Securities and Exchange Commission. Its investors include union and public employee pension plans and labor organizations. The HIT is one of the earliest and most successful practitioners of socially responsible impact investing, with a track record beginning in 1984 that demonstrates the added value derived from union-friendly investments. The investment objective of the HIT is to provide competitive returns for its investors and to promote the collateral objectives of constructing affordable housing and generating employment for union members in the construction trades and related industries.