


NEIGHBORHOOD REVITALIZATION TAX CREDIT:



A CATALYST
for
LASTING CHANGE



AUGUST 2017



Since its inception in 2002, the Neighborhood Revitalization Tax Credit (NRTC) program has become a critical part of the community development landscape in New Jersey.

INTRODUCTION

IN 2012, THE HOUSING AND COMMUNITY DEVELOPMENT NETWORK OF NEW JERSEY released its report *Transforming New Jersey Communities through Planning, Investment and Community Engagement*. The report documented 10 years of economic impact of the Neighborhood Revitalization Tax Credit (NRTC) program. At that time, \$48 million in private sector funding had been invested in New Jersey's communities as a result of the program, making it one of the most successful community development initiatives the state has seen.

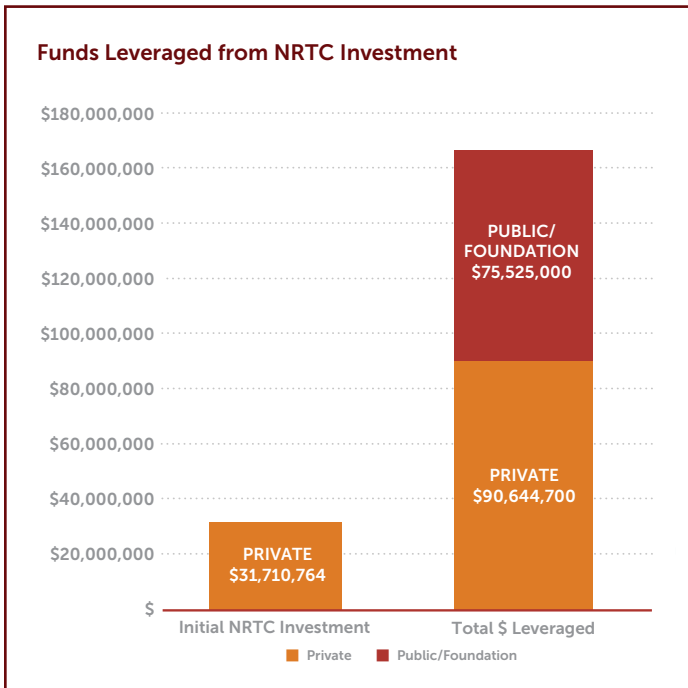
Since its inception in 2002, the Neighborhood Revitalization Tax Credit (NRTC) program has become a critical part of the community development landscape in New Jersey. Designed by the Housing and Community Development Network of New Jersey (the Network), the program is designed to empower community-based neighborhood change by offering business entities that invest in the revitalization of eligible low- and moderate-income neighborhoods a 100 percent tax credit against various state taxes. Administered by the New Jersey State Department of Community Affairs, a total of \$10 million in tax credits is available per year with a maximum of \$1 million available per neighborhood.

In 2014, we updated the initial report to include the new plans and projects that were underway. Now, the Network has revisited the data and took an updated look at the investment and impact of the program based on a smaller sample size of projects as reported by participating non-profits. We found that the NRTC continues to be an extremely popular and effective program, with more than \$122 million in private sector funds invested by 19 corporations into completed NRTC projects.

We reviewed the state and self-reported data of 53 completed projects representing over \$33 million in initial private sector investment into New Jersey communities. The following analysis details the economic and community impact that these completed projects have had, and shows how the sector leverages small investments for big change. The data for this report was obtained via NRTC participant surveys and individual grant reporting to DCA. Our review of these closed grants showed that collectively, organizations receiving NRTC investment money were able to leverage over \$166 million in additional public and private investment for their projects. The Network is grateful to the DCA for its support of our effort to analyze the impact of those projects that have been completed.



A POWERFUL TOOL *for* LEVERAGING RESOURCES



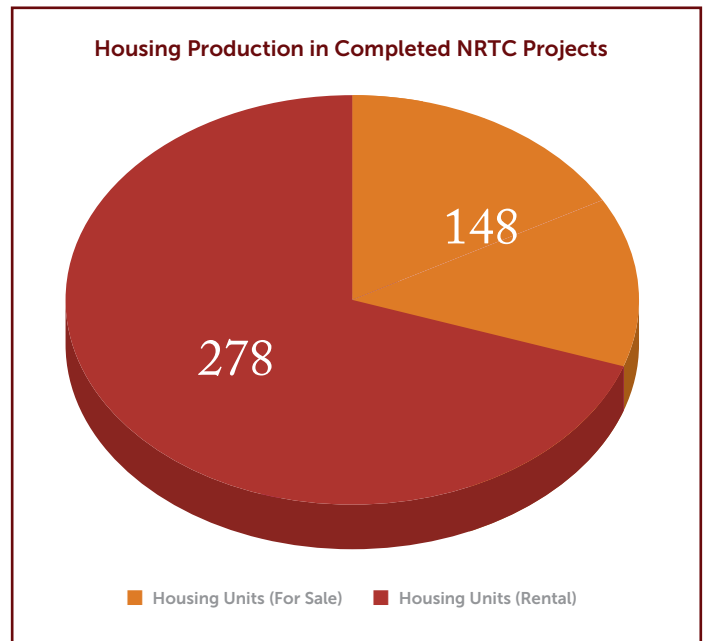
FOR EVERY DOLLAR IN NRTC INVESTMENT, THE CLOSED PROJECTS THAT SOUGHT ADDITIONAL FUNDING WERE ABLE TO LEVERAGE AN AVERAGE OF \$5.24 IN ADDITIONAL PUBLIC AND PRIVATE FINANCING.¹ Of the money leveraged, approximately 55% was from the private sector, while the remaining 45% was from the public sector and foundations.

The 53 completed NRTC projects have had a demonstrable impact on the economic well-being of the 20 communities in which the program operates around the state. Following are the economic and community outcomes from these investments.

ECONOMIC IMPACT SUMMARY

As of April 2016, **\$3,993,337** in property taxes had been generated as a result of rehabilitation and construction of properties using monies generated from NRTC investment. This included **167** vacant and abandoned properties being put back on local tax roles as well as the development of **470,798** square feet of commercial space. NRTC investment also allowed for the demolition of **32** unsafe properties and the creation of **38** new businesses.

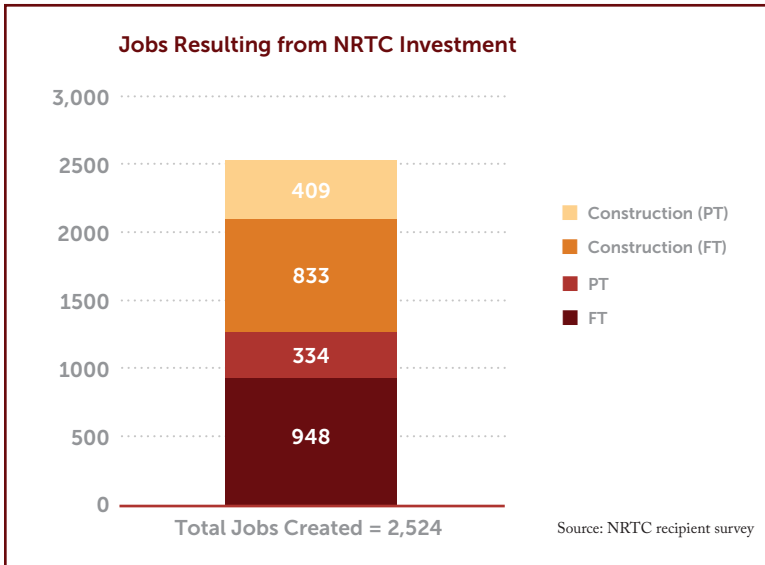
Further economic impacts on housing and job creation can be seen on the following pages.



¹ Although we were not able to obtain leverage financing data for all of the organizations using the NRTC, we were able to obtain a significant response (of the 20 community development/non-profit organizations engaged in this work, 18 were able to provide responses to be used in this analysis). Of those 18, two organizations reported that they did not seek to leverage their NRTC funding. As a result, we analyzed the results of those organizations who responded and sought to leverage NRTC funding. The findings here are consistent with the 2012 analysis of all NRTC plans conducted by the Network and NJ Community Capital at that time.

The Network thanks the Public Service Electric and Gas Company for providing funding for this report. Special thanks to our 2016 Community Scholar Yingyan "Grace" Guan for her research and analysis of the impact of these completed NRTC reports.

COMMUNITY IMPACTS



ONE OF THE KEY ASPECTS OF THE NRTC PROGRAM is the requirement that any project be the result of a robust community planning process. For the 53 completed projects, **4,672** people and **224** partner organizations were engaged in the planning process, thereby maximizing community benefit.

These benefits are quantified below.

BENEFITS *in the* COMMUNITY



REINVENTING COMMUNITY FROM THE GROUND UP: *4 Examples of Community-Driven Revitalization*

Statistics alone, of course, cannot tell the success story which is the NRTC program. This can only be found in the individual stories that come from our NRTC participants.

THE FOLLOWING FOUR PROJECTS help to illustrate the immense impact the NRTC has had on the communities who have participated in the program. From community centers to private homes, nearly every element of a neighborhood can benefit from direct and leveraged investment as a result of the NRTC. Below is just a small selection of the dozens of neighborhood NRTC projects that have benefited these communities.

INTERFAITH NEIGHBORS: *Bringing Back Asbury Park's West Side*



For nearly 30 years, Interfaith Neighbors has been providing housing assistance and community supports for those in need throughout Monmouth County. In 2007, Interfaith received NRTC funding for its plan to revitalize Asbury Park's West Side neighborhood. The West Side neighborhood had suffered decades of economic and political neglect, and a bold statement needed to be made which would announce its resurgence.



This statement came in the form of the Springwood Center Mixed Use Building, a 27,500 square foot facility built in partnership with the City of Asbury Park and completed in 2012.

The first floor of the three-story building houses a Business Development Center, a workforce development program for local residents, a café (which also runs a hospitality training program), and a work location for the Asbury Park Police Department.



Sunday morning Story Time session at the Kula Café, a free event which runs weekly from during the spring and summer.

The second floor is home to the City of Asbury Park's Senior Center, which hosts events and provides a social space for the city's seniors. It also serves as one of nine congregate sites for Interfaith's Meals on Wheels program.

The third floor consists of 8 affordable rental apartments owned and managed by Interfaith. The apartments are a mix of one, two, and three bedrooms thus serving a range of tenants from single individuals to families.



Middle-school students make a presentation as part of the Asbury Park Junior Entrepreneur Training (J.E.T.) Program, which is run out of the Business Development Center and utilizes the Senior Center for some of its classes.

UNITY SQUARE:

A Partnership for Positive Neighborhood Change

Unity Square Partnership is a project of Catholic Charities, Diocese of Metuchen. Located in the Unity Square Neighborhood of New Brunswick, the Partnership “addresses a diverse set of issues, including economic development, employment, civic participation, crime and safety, immigrants’ rights, and tenants’ rights”.ⁱⁱ The neighborhood is home to New Brunswick’s Oaxacan immigrant community, made up of roughly 6,000 residents. Unity Square’s NRTC projects include five single-family homes, a community center, and four community gardens.

The Unity Square Community Center lies at the heart, both literally and figuratively, of the Neighborhood Plan. Completed in 2014, the building is an adaptive reuse of a long-decommissioned firehouse that had sat neglected for decades. Today, the Center houses the Unity Square staff offices, a community meeting space, and a “social-enterprise commercial kitchen” known as Corazon Kitchen. The Center plays host to Unity Square’s myriad social programs, including workforce development training, ESL classes, youth afterschool clubs, and community crime watch groups.



The Unity Square Community Center



Children and families gather around an activity table during New Brunswick Ciclovía, a citywide event where streets are closed to car traffic and residents are encouraged to bike and walk.



A core aspect of the NRTC program is the community planning process, where community members work together to determine what projects should have priority in their neighborhood.

NRTC funding was also used to expand Unity Square Partnership’s community garden program, doubling the number of community gardens in the neighborhood from two to four, and expanding the gardens capacity to serve roughly 75 families. As stated by Unity Square’s NRTC Program Director, Jason Rowe:

“The gardens reduce blight, create community gathering spaces, promote good nutrition, and lower families’ food expenditures. Through the Project, Catholic Charities was able to add two new community garden sites in the neighborhood. We were also able to provide trainings to over 100 residents on topics related to gardening, environmental health, and sustainability. Additionally, through the efforts of the Green Initiative Coordinator, we were able to promote and adopt more sustainable and resource-conserving practices at our garden sites.”ⁱⁱⁱ



The multiple garden plots in a Unity Square community garden, expanded as a result of NRTC investment.

ⁱⁱ <http://www.ccdom.org/usq>

ⁱⁱⁱ NRTC Close-Out Document, Grant #: 2012-02240-0830-00, Neighborhood Revitalization Tax Credit Project 12, Catholic Charities, Diocese of Metuchen, Unity Square Neighborhood, New Brunswick, NJ January 6, 2015, p. 2.

REBUILDING HAMILTON'S LEGACY: NJCDC's Commitment to People and Place in Paterson



One of the old Rogers Locomotive Works buildings during renovation.



Exterior post-renovation



Original interior before renovation



Interior post-renovation

As part of its Greater Spruce Street Neighborhood Plan, New Jersey Community Development Corporation (NJCDC) completed work on the Alexander Hamilton Community Innovation Center in 2013. An expansion of NJCDC's main facility at 32 Spruce Street, the Innovation Center (now referred to as the Rogers Meeting Center) completes the rehabilitation and transformation of the former Rogers Locomotive Works complex. A site for organizational, community and educational events, the Innovation Center plays host to many programs run through NJCDC's Community Schools Initiative.

The Initiative recruited graduate students participating in the AmeriCorps program to work in five schools throughout Paterson, ranging from elementary to high schools. The graduate students acted as mentors, program coordinators, provided academic support and promoted volunteer opportunities for students and their families.

As reported in the 2011-2013 Final Narrative Report, in 2013 alone, 599 students received 30 or more hours of academic support, 482 individuals participated in educational parent and family workshops, 1,502 unduplicated children and teens participated in youth developmental character education workshops and activities, and AmeriCorps members recruited 421 volunteers who participated in over 3,700 hours of local community service throughout the Greater Spruce Street neighborhood.^{iv}

Students and families that participated in these programs overwhelmingly reported improvements in grades and volunteerism, as well as overall satisfaction with the programing being provided.^v

^{iv} New Jersey Community Development Corporation, Alexander Hamilton Community Innovation Center, NJCDC (AmeriCorps) Community Schools Initiative, NRTC Grant Number: 2011-02240-0538-03, Agreement Period: 10/1/2011- 12/31/2013, Final Narrative Report, p. 2.

^v Ibid.

COMBINING RESOURCES TO CREATE CHANGE:

The Cooper Plaza Neighborhood Revitalization Project

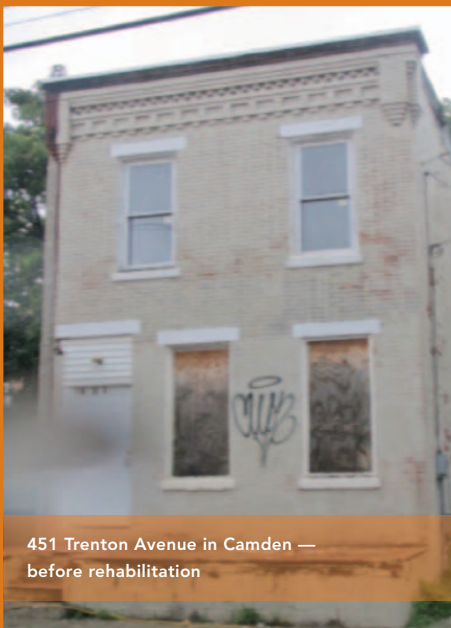
A partnership between Cooper Health System and several non-profits including St. Joseph Carpenter's Society and Camden County Habitat for Humanity, the Cooper Plaza Neighborhood Revitalization Project seeks to improve neighborhoods conditions in the Cooper Plaza and Lanning Square communities of Camden through a combination of housing acquisition and rehabilitation as well physical improvements of neighborhood public spaces.

Utilizing NRTC funds, St. Joseph's was able to acquire and rehabilitate 10 vacant and boarded-up homes in the Cooper Plaza Neighborhood for the purpose of increasing homeownership in the community. All 10 homes are now owner-occupied, providing a stabilizing influence in the neighborhood.

St. Joseph's was also able to complete a façade improvement program for 32 occupied homes throughout the Cooper Plaza

Neighborhood. Improvements typically included power washing, brick pointing, front porch repairs or replacements, railing repairs, window capping, and new front doors and screen doors. One home even received a new handicap accessible ramp.^{vi}

These improvements were ones which residents had long-aspired to do, but could not afford to complete on their own. By completing them, however, these residents have been empowered to continue ongoing façade maintenance, adding to the ongoing community-based revitalization of the Cooper Plaza Neighborhood.



451 Trenton Avenue in Camden —
before rehabilitation



451 Trenton Avenue in Camden —
after rehabilitation



713 and 715 New Street — before rehabilitation



713 and 715 New Street —
after rehabilitation

^{vi} Cooper Plaza Neighborhood Revitalization Tax Credit Project, Cooper Health System, FINAL REPORT, Grant: #2012-02240-0833, p. 4

CONCLUSION

THE NRTC PROGRAM IS FAR MORE THAN A FUNDING MECHANISM. The dollars provided both directly through NRTC as well as leveraged by the participating nonprofits are a catalyst for sustainable, lasting change in these communities. Remarkably, for a public investment of \$10 million a year, the NRTC program has generated millions of dollars of local tax revenues, created thousands of jobs, and bettered the lives both directly and indirectly of countless New Jersey residents. With so many more communities in need of such investment, the time is now to expand and build on the successes of the past 15 years and increase the investment in NRTC. The potential of our communities is endless. With the proper funding and investment, the expertise of our local nonprofits, and the hard work of our communities, the sky is the limit on what we can achieve.

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Housing and
Community
Development



Network of New Jersey

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