



taxadvantagegroup



Kingsley House

QUICK FACTS

CDEs

Chase New Markets Corporation
Low Income Investment Fund (LIIF)

TOTAL DEVELOPMENT COST

\$12,000,000

CHASE ALLOCATION

\$1,500,000

LIIF ALLOCATION

\$6,500,000

LOCATION

901 Richard Street
New Orleans, LA

NMTC CONSULTANT

taxadvantagegroup, llc

PROJECT SPONSOR

Kingsley House, Inc.

SQUARE FOOTAGE

24,000

LEVERAGED LENDER

Kingsley House, Inc.

NMTC INVESTOR

Chase Community Equity, LLC

PERMANENT JOBS

60 direct

CONSTRUCTION JOBS

50 direct

TARGETED DISTRESS

Poverty Rate 29.5%
Federally-Designated Medically
Underserved Area

FINANCING COMPLETE

March 2015

Kingsley House

NEW ORLEANS, LA

Background

The New Markets Tax Credit (NMTC) Program permits taxpayers to receive a credit against federal income taxes for making Qualified Equity Investments (QEIs) in designated Community Development Entities (CDEs). Substantially all of the QEIs must in turn be used by the CDE to provide investments in Low-Income Communities (LICs).

The credit provided to the investor totals 39 percent of the cost of the investment and is claimed over the seven-year credit allowance period. Investors may not redeem their investments in CDEs prior to the conclusion of the seven-year period. The NMTC program provides financing availability for projects in underserved geographic areas and with extremely favorable terms for businesses and real estate developers or owners. The result of these investments fulfills financing gaps for projects to be completed, and it allows projects to be enhanced with community-oriented components, which generate measurable community impacts.

Project

Kingsley House, a United Way Community Impact Partner and nationally renowned as the oldest Settlement House in the South, has served more than half a million people since it was founded in 1896. Located in the Lower Garden District of New Orleans, the social service agency provides nearly 7,000 infants, children, youth, parents and disabled and elderly from throughout southeast Louisiana a comprehensive array of nationally accredited and state certified programs. These include Head Start and Early Head Start, the Educare New Orleans early childhood education program, and programs and services for adults and seniors on the campus or in their homes.

The project has been in the works for 15 years, when the organization began working to ensure that it would be able to expand onto a vacant lot next to its campus. This included convincing the property owners, the Orleans Parish School Board, to enter into an agreement that would allow Kingsley House to build on it. With that accomplished, the project seemed ready to go until Hurricane Katrina hit, upending those plans and requiring the nonprofit to seek additional sources of funding. In March 2015, the largest expansion of Kingsley House in over a century was celebrated by the community as it broke ground on the new expansion. The new building will be evenly divided between classrooms for about 100 children and space for its Adult Health Care and Senior Center program, which will serve a similar number of adults.

The Financing

With total project costs of \$12 million, the \$8 million NMTC transaction funded the majority of the project with Allocation provided by Chase and LIIF. Project debt was self-leveraged by Kingsley House through a variety of sources including a lead gift of \$1 million from the Patrick F. Taylor Foundation, as well as \$2 million in PROP financing from the Louisiana Office of Community Development. This support, coupled with Louisiana State Capital Outlay funds and other private donations, secured the total funding needed for the construction.

“This will get children off the waiting lists and into a phenomenal facility designed specifically to meet their growth and development needs. It will also allow more medically fragile adults and senior citizens to live in their own homes and communities as long as possible.”

- Keith Liederman, CEO, Kingsley House

“The closing of the Kingsley House transaction not only involved New Markets Tax Credits but also several different lending components including traditional loans, grants, and two separate financial sources from the state of Louisiana. The insightful guidance and coordination provided by the team at Tax Advantage Group enabled us to close our transaction in a timely and efficient manner. We could not have done it without them.”

-Richard J. Roth III, LL.M., Kingsley House Board of Directors

For more information contact:
Tammy C. Propst | 864.271.2737
tpropst@taxadvantagegroup.com