



Financing the Redevelopment Proce\$\$

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NJIT “Roadmap to Mill Redevelopment” Seminar

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Old Mills as Projects

- Unique
- Charming
- Challenging
- Often downtown
- Can be expensive





It's Not Rocket Science

New construction or redevelopment both require:

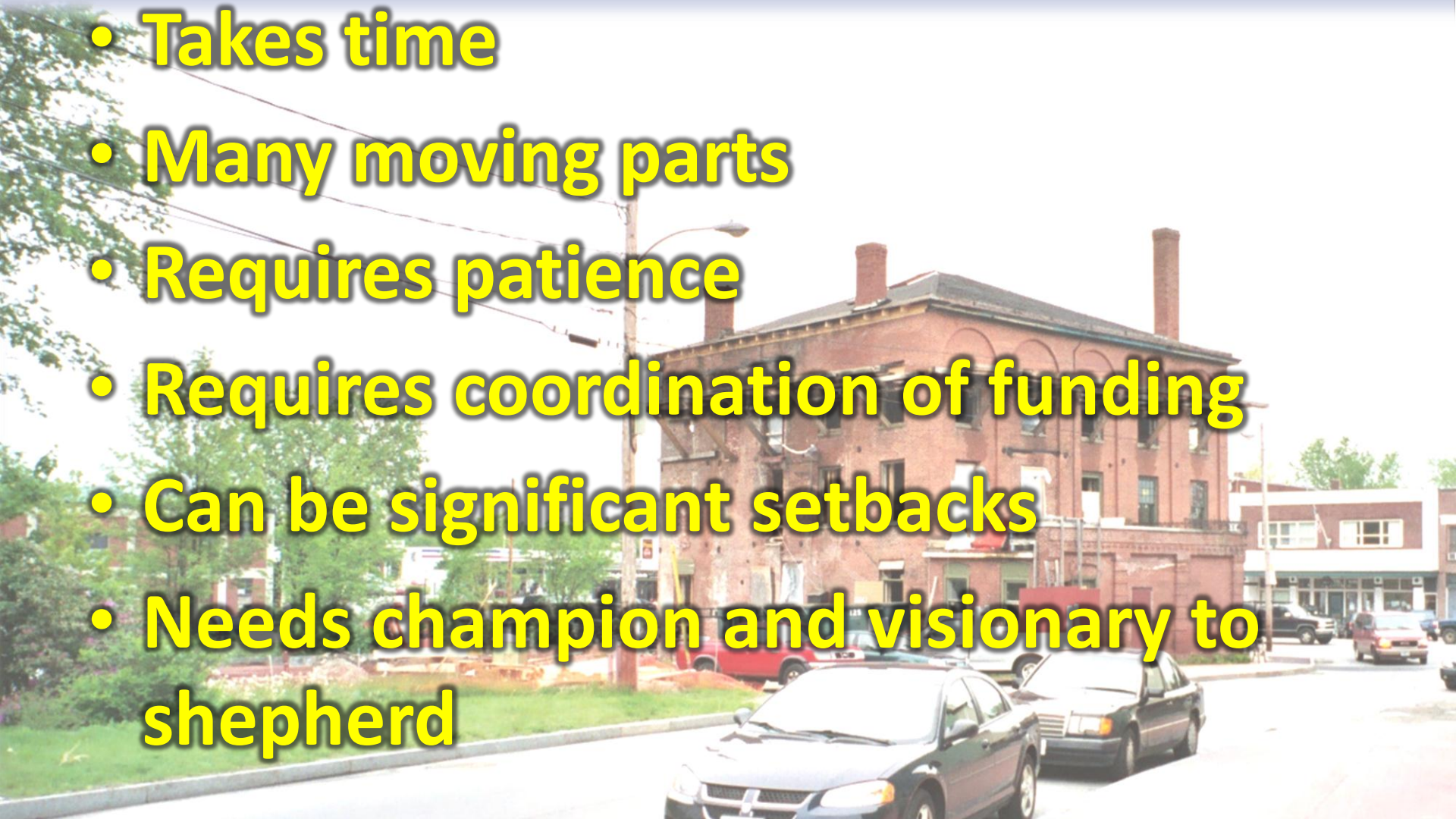
- Available property
- Committed developer
- Permits and approvals
- Business plan to insure project cash flows
- *Funding and/or incentives*





But...It's Not Easy

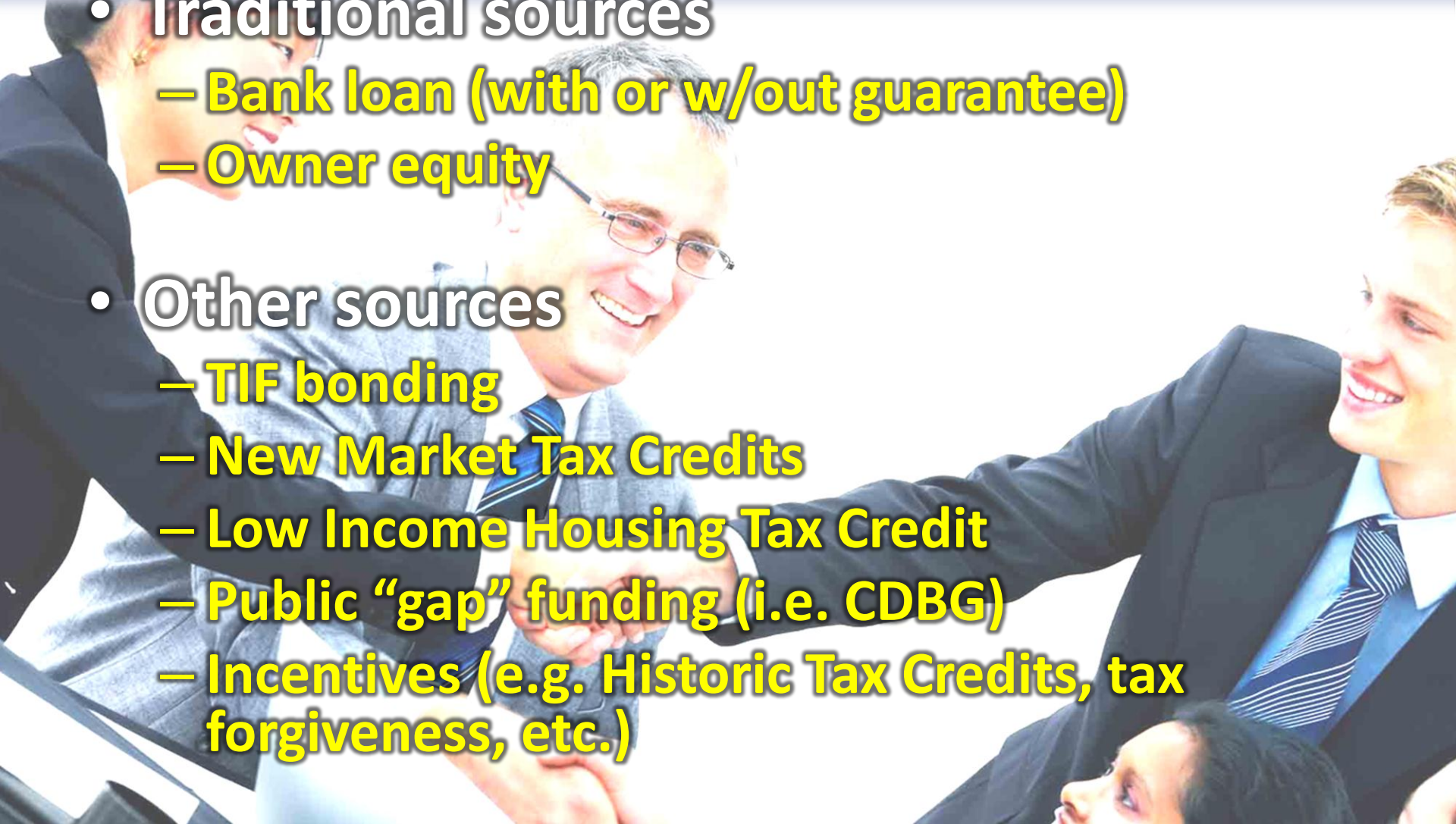
- Takes time
- Many moving parts
- Requires patience
- Requires coordination of funding
- Can be significant setbacks
- Needs champion and visionary to shepherd





Financing is Financing

- **Traditional sources**
 - Bank loan (with or w/out guarantee)
 - Owner equity
- **Other sources**
 - TIF bonding
 - New Market Tax Credits
 - Low Income Housing Tax Credit
 - Public “gap” funding (i.e. CDBG)
 - Incentives (e.g. Historic Tax Credits, tax forgiveness, etc.)





20% Historic Tax Credit

- For the rehabilitation of historic, income-producing buildings.
- Must be “certified historic structures”
- Contact the National Register and Tax Incentives Coordinator at the NH Division of Historical Resources (telephone 271-6437; FAX 271-3433; e-mail Preservation@dcr.nh.gov) for more details.



Community Logistics

- Community support
- Local planning and zoning
- Economic Development or Revitalization Committees
- Historic District Commissions
- Political leaders



Building Codes

The International Building Code 2006 has been adopted as the NH state building code. The code allows flexibility for historic buildings. Specifically, Section 3407, "Historic Buildings," of the IBC (2006) states: "3407.1 Historic buildings: ***The provisions of this code relating to the construction, repair, alteration, addition, restoration, and movement of structures, and change of occupancy shall not be mandatory for historic buildings where such buildings are judged by the building official to not constitute a distinct life safety hazard.***"

<http://www.nh.gov/nhdhr/documents/code.pdf>





Jaffrey Mill





Jaffrey Mill Funding Sources

\$500,000	CDBG grant
\$650,730	HOME loan
\$3,693,699	LIHTC equity
\$1,000,000	USDA loan
\$182,088	Owner equity

Total: \$6,026,517

(approximately \$200,000/unit cost)

Result: 30 units of affordable rental housing. 100%LMI.



Claremont Mill District

Overall view of the Monadnock Mills historic district with new pedestrian bridge





Claremont “Woven Label Mill”





**Sawtooth building with its unique
“sawtooth” roof structure.**





**Completed car garage
facility with sawtooth
design partial exterior**





Woven Label Mill Funding Sources

\$500,000 CDBG Grant
\$7,292,545 TIF Funding

Total: \$7,792,545

**Infrastructure in
support of Economic
Development**

- “Sawtooth” Garage
- Water & Sewer
- Pedestrian Bridge
- Additional Surface Parking
- Brownfields Project



Other Financing Programs: A Federal “Laundry List”

What’s Been Linked Together for Redevelopment Projects?

Slide from Charlie Bartsch, USEPA Senior Program Advisor

Loans

- EDA capital for local revolving loan funds
- HUD funds for locally determined CDBG loans and “floats”
- EPA capitalized revolving loan funds
- SBA’s microloans
- SBA’s Section 504 development company debentures
- EPA capitalized clean water revolving loan funds (priorities set/ programs run by each state)
- HUD’s Section 108 loans/guarantees
- SBA’s Section 7(a) and Low-Doc programs
- USDA business, intermediary, development loans

Grants

- HUD’s Brownfield Economic Development Initiative (BEDI)
- HUD’s Community Development Block Grants (for projects locally determined)
- EPA assessment, cleanup grants
- EDA public works and economic adjustment

Grants (*continued*)

- DOT (various system construction, preservation, rehabilitation programs)
- Army Corps of Engineers (cost-shared services)
- USDA community facility, business and industry grants

Equity capital & loan guarantees

- SBA Small Business Investment Cos.
- SBA Section 7(a) guarantees
- DOE energy facility guarantees

Tax incentives and tax-exempt financing

- Targeted expensing of cleanup costs
- Historic rehabilitation tax credits
- Low-income housing tax credits
- New Markets Tax Credits
- Industrial development bonds
- Energy efficiency construction credits



Thank You!

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