



NATIONAL TRUST COMMUNITY INVESTMENT CORPORATION

PROJECT HIGHLIGHTS

PROJECT GOAL:
Conversion of a nineteenth-century commercial building to office, retail and artist live-work space

DEVELOPER:
Charles Orr

TAX CREDIT INVESTOR:
Community National Bank

TOTAL DEVELOPMENT COST:
\$662,000

TOTAL SQUARE FOOTAGE:
14,400

KEY PROJECT FINANCING:

\$450,500
Loan from Community National Bank, enhanced with New Markets Tax Credits by NTCIC Conduit III

\$38,500
Capital contribution from managing member

JOBS CREATED:
Construction - 12
Permanent -
8 created, 4 retained

Haffa Building, Waterloo, IA

BACKGROUND

The Haffa Building was built in 1885 in downtown Waterloo, Iowa, and first housed a retail clothier and furrier business. Named after its original owner and developer, the building later accommodated a variety of commercial establishments until 2002 when the final occupant moved out of the first floor. In early 2003, the building was purchased for a mixed-use rehabilitation project and now houses Waterloo's creative businesses and artists, helping to stimulate economic development in this Iowa Main Street community of 68,000.



THE PROJECT

The Haffa Building is a two-story concrete, brick and steel building. Rehabilitation work included new electrical, plumbing, and safety systems, six new apartments with full kitchens and baths, and new drywall and finishes to the office spaces. Six rental housing units have been modified as live/work space for artists. The City has shown its support for the project by guaranteeing 20% of the NMTC loan and by implementing a seven-year 100% property tax abatement plan to fund the remodeling of the building's storefronts. The project also won the "Best Adaptive Reuse of a Building" awarded by the Main Street Iowa program in 2005.

NEW MARKETS TAX CREDIT SOLUTION

The NMTC loan was provided at better rates and terms than the market offers: an interest rate 2% below market, no origination fees, interest-only payments, 100% loan to value ratio, no borrower equity, and nontraditional forms of collateral. These terms allowed the developer to charge below-market rate rents for the office and residential units, even with cost overruns.

COMMUNITY IMPACT

The Haffa Building is the first phase of the developer's plan to revitalize Waterloo's Arts and Retail District. The project is part of the River Renaissance Redevelopment Plan and is located in a census tract with a poverty rate of 39%, average family income at 44% of the area median, and an unemployment rate 2.74 times the national average.

The Haffa serves as a hub for Waterloo's creative class, fostering a collaborative spirit among artists. It has already spurred the opening of three new restaurants in formerly vacant buildings and played a key role in generating momentum for downtown revitalization. Its downtown housing units are also an important piece of the City's Master Plan. All six of the rental units are being rented at below-market rates to local artists.

The developer, who donated his time and provided loan funds to the project, acted as a general contractor and hired 12 local workers through a Waterloo job placement center to perform clean-out and demolition work. In addition, six former convicts living in half-way houses near the property gained valuable construction skills as part of the construction labor pool. The Haffa Building has created five part-time jobs; the tenants have created three full-time jobs and retained four full-time jobs. Tenants participated in the rehabilitation design and used their skills to contribute to the finishing work of the building.

FOR MORE INFORMATION, PLEASE CONTACT

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