



Background

The original St. Michael's Hospital has been a part of Newark's history for nearly 150 years. Established by the Franciscan Sisters of the Poor in 1869 to serve Newark's poor and immigrant population, St. Michael's continues to serve the needs of a growing community to this day.

The original four-story brick-bodied building, which is the focus of the historic restoration, was completed in 1871 and was part of the larger 357-bed teaching and research hospital complex. The highly regarded hospital was the first in the state to perform open-heart surgery and the first to develop a cardiac catheterization program.

The building itself is a beautiful example of Victorian Gothic architecture, featuring pointed arch windows and entrances and masonry of contrasting colors in alternating bands. The interior is flush with character and includes pressed tin ceilings, ceramic tile, double-loaded hallways, historic staircases, and a two-story chapel, all with Gothic ornamentation.

St. Michael's is still a fully operational medical center serving the surrounding communities, though their expansion in recent years has been largely focused on the eastern complex, leaving the historic building vacant and nearly abandoned for a decade. The sponsors purchased the property in 2016 when the hospital changed operators and invested almost \$1 million to stabilize the structure, complete interior demolition, and remediate hazardous materials. The historic site is now shovel-ready to complete the restoration and once again serve the community.



Total Development Cost:

\$23.2 Million



NTCIC Financing:

\$2 Million NMTC Allocation

\$3.7 Million Federal HTC's



Project Partner:

Partnership between New Jersey Community Capital's Community Asset Preservation Corporation (CAPC), Crawford Street Partners, and Hanini Group



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THE PROJECT

In addition to New Markets and Historic Tax Credit (NMTC and HTC, respectively) equity and traditional sources such as sponsor equity and mortgage loan proceeds, due to its location in an opportunity zone, this project will also benefit from a



large opportunity zone investment. Upon completion, the former St. Michael's Hospital building in Newark, New Jersey will become the Newark Arts Commons, a center for arts education and creative co-living.

The first two floors (approximately 36,300 square feet) of the revitalized space will become the homes of two local nonprofit organizations, GlassRoots, and b[x] Studios. Founded in 2001, GlassRoots is a community-focused arts organization that provides classes and spaces for artists to learn and practice glassblowing, with a primary mission to engage young adults in the creation of glass art and the development of entrepreneurial and life skills. The first floor of the building will be converted into administrative, educational, and commercial spaces for the organization to expand its already impressive suite of community programming. The space will include a coffee shop, gallery space that can be rented by nearby organizations for events, and a store where products made by their artists can be purchased.

b[x] studios is a local art studio operator that provides affordable creative workspaces to artists, makers, and technologists for their long-term growth, development, and success. The new space will include over 11,000 square feet of affordable studio space to Newark's growing art and maker community.

Newark Arts Commons will also include 25 apartment units, including 20 "co-living units" and 5 traditional units. Co-living is a form of rental housing where a tenant rents by the bedroom instead of by the unit. These units are typically outfitted with high-end shared spaces and provide amenities such as weekly cleaning services, on-demand furnishing, and free wifi and laundry. The concept is taking hold in major cities and developed because increased rents are forcing young professionals to seek roommates in order to afford housing in more expensive areas. The former chapel, which will be centrally located among the living units, will be transformed into a common area lounge and activity center. Common, the industry leader in the co-living residential market, will be the residential property manager.

Economic and Community Impact

New Markets and Historic Tax Credit financing supported by NTCIC will generate nearly \$1 million in cost savings for the project which will allow the sponsors to provide the nonprofit tenants with below-market rent and affordable housing units within the residential space. These savings will support the significant expansion in programming opportunities that will be provided by GlassRoots and b[x] studios, as well as affordable housing options.

GlassRoots programs are STEAM-based and their new 24,000 square foot space will allow them to significantly expand their programming options to both young adults and the regional artist community that had previously been housed in a 5,500 square foot facility. Their new home will be able to **quadruple the annual attendance of their school field trip activities from 776 students to over 3,200**. Additionally, their long-term youth programming, FLAME (Focus, Leadership, Arts, Mentoring, Entrepreneurship), is projected to increase from 30 annual participants to **82 annual participants** within the first years in their new location. This program teaches vital leadership skills that have effectively improved the matriculation rate of its participants to 100%.

New Jersey has the largest concentration of scientific glass manufacturers in the nation. The 12-week workforce training program prepares young adults for entry-level positions, allowing high school graduates to compete for positions in the STEM fields. GlassRoots anticipates that workforce program participation will triple within the first years in the expanded Project space. Seventy-five percent of graduates who have completed this program are now employed or pursuing a higher education degree.

The project is expected to support **80 Full-Time Equivalent (FTE) jobs** during construction, half of which will be hired from the local low-income communities. Once complete, the project will support **75 FTE positions**. The project plans to open its doors in early 2021.