



NEW JERSEY
**COMMUNITY
CAPITAL**

NEW JERSEY COMMUNITY CAPITAL (NJCC)

newjerseycommunitycapital.org

ABOUT THIS PROJECT

The \$2.5 million PRI to NJCC provided critical capitalization and credit support for a \$12 million New Jersey Creative Placemaking Fund (CPF), managed by NJCC. The CPF is supporting catalytic development projects that integrate or complement arts and creative-industry based elements, integrate with broad-based neighborhood development strategies, and generate significant community impacts. Eligible projects must be part of an overall revitalization plan, build on distinct local assets and identities, improve local economic viability, and enhance the livability and vibrancy of the community. NJCC designed the CPF as a revolving loan fund that will provide flexible and affordable capital to finance the strategic acquisition, construction, development, and/or sustenance of affordable long-term spaces for arts- and culture-based businesses and nonprofit organizations serving low-income communities of New Jersey.

IMPACTED LOCATION



NEW JERSEY

YEAR APPROVED

2015

TYPE OF TRANSACTION

PRI LOAN

WHY WAS THIS NEEDED?

CHALLENGE: In recent years, funding for arts and culture in New Jersey has severely diminished. Traditional corporate and philanthropic sponsors of the arts have transitioned their focus from the arts to other interests, leaving the New Jersey Council of the Arts as one of the few major funders of the arts left in the state. This has deepened the need for flexible capital to finance arts and cultural components of existing and future municipal redevelopment plans. **RESPONSE:** The CPF gave NJCC a much-needed financing vehicle for neighborhoods and communities lacking cultural enrichment opportunities for local residents. NJCC's Fund will serve the entire State of New Jersey, with a major emphasis on low-income urban communities across the State.



KRESGE PROGRAM

ARTS & CULTURE
PROGRAM

AMOUNT OF INVESTMENT

\$2.5 MILLION

GRANT SUPPORT

\$300,000

TERM OF INVESTMENT

12 YEARS



ABOUT THE BORROWER

NJCC's mission is to transform at-risk communities through strategic investments of capital and knowledge. NJCC believes in aligning its programs and investments to foster the holistic revitalization of New Jersey's underserved communities with high concentrations of poverty. Placemaking and economic mobility are among the organization's bedrock principles for creating thriving communities with opportunities for families to build financial wealth, sustain stable housing and employment, receive quality education, and enrich their lives through the arts and culture. NJCC has been engaged in lending to Creative Placemaking projects for the last decade with volume to this sector totaling just over \$6 million. However CPF is the organization's first dedicated fund to support Creative Placemaking projects. To date, NJCC has created or renovated a total of 188,000 square feet of commercial and community space and created or retained nearly 200 jobs. NJCC believes that investing in the large-scale conversion of vacant or underutilized structures to arts-based place making projects adds great value and enriches its holistic efforts by increasing economic opportunity and private investment in the revitalization of these communities and more broadly improving the living quality for residents that are both retained and attracted to these places.

IMPACT MEASURE

Over two years, NJCC raised \$12 million in capital for the CPF and invested in eight projects.

KEY PARTNERS:

Wells Fargo, NeighborWorks America, CDFI Fund

Key Considerations



Kim Dempsey
Deputy Director
Social Investment
Practice

- » This was Kresge's first PRI investment in Creative Placemaking; it was important to work with a CDFI already leading in this area.
- » Loans range from under \$20,000 to \$2.7 million and have supported a diverse set of projects include artist live/work space, small business development, and mixed use.
- » NJCC will use these arts- and culture-based investments to foster future investments in community stabilization and revitalization efforts and opportunities for residents of these communities to attain quality homes, schools, and jobs.
- » The organization expects to target deployment efforts on high-poverty municipalities—Newark, Orange, Jersey City, Paterson, New Brunswick and Asbury Park—where strategic community redevelopment plans incorporating arts components exist and have been adopted by local officials.
- » Our investment leveraged nearly five times its amount in additional capital.



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