



CROWN SQUARE - ST. LOUIS, MO.

Developer/Sponsor

Regional Housing and Community Development Alliance (RHEDA)

Project Type

Mixed use – commercial and residential rental

Square Footage

75,000 square feet Investment \$12.5 million



Description

The Crown Square redevelopment involved the historic rehabilitation of 11 buildings of the 14th Street Mall, an abandoned mall that formerly served as a pedestrian-oriented commercial district located in the Old North St. Louis neighborhood, just north of downtown St. Louis, Mo. The buildings will be converted into 33,000 square feet of street-level commercial and retail space and 38 market-rate residential units totaling 42,000 square feet. Crown Square comprises one portion of the overall redevelopment of the 14th Street Mall area. The other component consists of 42 units of affordable housing financed through tax-exempt bonds (and related four percent Low-Income Housing Tax Credit equity), historic tax credits and other subsidies; financing for this component closed in mid-2007.

Investment Type

Enterprise provided \$12.5 million in NMTC allocation to this project, and another certified Community Development Entity, managed by McCormack Baron Salazar, provided \$5 million in NMTC allocation. The

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total financing sources for the project were \$20.1 million; of this amount, \$1.7 million was hard debt (leverage loan from Enterprise Bank & Trust), with the remaining \$18.4 million from a combination of Federal Historic Tax Credit Equity, State Historic Tax Credit Equity, New Markets Tax Credit Equity, CDBG subsidy and sponsor contributions.

Market

While the Crown Square project is located in a highly distressed area, it will build on the momentum created by the related Low-Income Housing Tax Credit project as well as the developer's neighboring mixed-income for-sale housing development, North Market Place, which consists of 41 single-family homes south of Crown Square, and other new single-family construction in the area. Additionally, Crown Candy Kitchen, a popular St. Louis landmark and attraction that has anchored the neighborhood for multiple generations and still generates steady customer traffic, is located one block north of the project. The Crown Square redevelopment has become a bridge connecting and expanding these two stable areas. Due to its location in a high priority area designated for preservation by the City of St. Louis Strategic Land Use Plan, this project received strong support from the local government. Additionally, it conforms to the City's Comprehensive Plan and furthers the objectives of the "Plan for the Neighborhoods of the Fifth Ward" adopted by the City Planning Commission. The city has contributed \$730,000 of Community Development Block Grant program funds to the redevelopment.

Community Impact

The Crown Square redevelopment is a high impact project that addresses local need for community revitalization. The original mall was a failed pedestrian-oriented commercial district that served as the heart of the Old North St. Louis neighborhood. The collapse of the mall accelerated the abandonment of the neighborhood, which was driven by decades of out-migration of city residents to the suburbs. This project helped to bring new life to the community by revitalizing a distressed area, creating temporary and permanent jobs, adding needed housing, providing community facilities and spurring future investment.

An estimated 125-150 construction jobs and 80-110 new permanent jobs resulted directly from this project, with additional job growth and retention opportunities for materials suppliers, appliance distributors and other construction-related businesses and trades. One of the uses for a portion of the

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commercial space is a community visual and performing arts center, which would be the first facility of its kind in the area.

Developer

The developer is the Regional Housing and Community Development Alliance ("RHCD"), a St. Louis-based nonprofit organization that specializes in affordable and market-rate residential development, technical assistance and resource development throughout the St. Louis metropolitan region and with whom Enterprise has a decade-long relationship.

Investor

U.S. Bancorp Community Development Corporation is one of the largest new market tax credit investors in the country. It also makes equity investments in low-income housing and historic tax credits in exchange for tax benefits and CRA investment credits usable by U.S. Bank. Both are subsidiaries of U.S. Bancorp (NYSE: USB), with assets of \$228 billion, it is the 6th largest financial services holding company in the United States. The company provides a comprehensive line of banking, brokerage, insurance, investment, mortgage, trust and payment services products to consumers, businesses and institutions. [U.S. Bancorp](#) is the parent company of U.S. Bank.