New Markets Tax Credit

OREGON

NMTC Allocatee

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*Partnership between Portland Family of Funds, United Fund Advisors and Portland Development Commission

Community Profile

- Portland, OR
- 41.3% poverty rate
- Median income 44.8% of Area Median Income
- Unemployment rate 2.8 times the national average

Project Highlights

- Small business lending fund
- NMTC: $5.5 million
- Investor: U.S Bank
- $4 million in small business real estate loans to 6 borrowers and $860,550 in small business working capital to 22 borrowers

Top: In 2012, JD's Shoe Repair received a $5,000 PSBLF small business loan

Bottom: Discovery Gardens Family Care, has received 3 small business loans totaling $27,000

Small Business Loan Fund

The Portland Small Business Loan Fund (PSBLF) was formed in July 2006 to address the lack of access to affordable capital, which had been identified as an acute problem for small businesses in Portland, Oregon's low-income communities. Strongly supported by Portland's Mayor, the Portland City Council and the Portland Development Commission, PSBLF was created by Portland Family of Funds Holdings, Inc. (PFF) through an infusion of $5.5 million in NMTC financing from Portland New Markets Fund I, LLC (PNMF).

PSBLF addresses the strong need for small business working capital and other non-real estate related business needs and currently offers two products that feature below market interest rates and flexible terms: (1) *Small Business Loans*: Ranging in size from $5,000 to $275,000; PSBLF's Small Business Loans are made to qualifying low-income community businesses in Portland for operations, expansion, working capital and/or equipment. Loan terms range from 12 to 120 months. Micro Enterprise Services of Oregon (MESO) serves as the Program Manager for the Small Business Loan program. (2) *Small Real Estate Loans*: PSBLF's Real Estate loans can be up to $1,000,000 and are made to small businesses located in low-income communities within Portland's Urban Renewal Areas for real estate activities. Most loans have been for facility expansion by small, local businesses.

Since July 2006, PSBLF has successfully deployed $4 million in small business real estate loans to 6 borrowers and $860,550 in small business working capital to 22 borrowers – including Discovery Gardens Family Care, an affordable and quality childcare provider, which has received 3 small business loans totaling $27,000 enabling them to expand operations to three customized learning childcare facilities. In 2012, JD's Shoe Repair received a $5,000 PSBLF small business loan to support business expansion and increase shoe repair and maintenance services.

These loans have created jobs, facilitated wealth building and provided numerous goods and services in Portland's low income communities.