



# NMTC PROGRAM AWARD BOOK

CY 2014

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# THE NEW MARKETS TAX CREDIT PROGRAM

The New Markets Tax Credit Program (NMTC Program) helps economically distressed communities attract private investment capital. This federal tax credit helps to fill project financing gaps by enabling investors to make larger investments than would otherwise be possible. Communities benefit from the jobs associated with these investments, as well as greater access to public facilities, goods, and services such as manufacturing, food, retail, housing, health, technology, energy, education, and childcare.

“Over its fifteen year history, the New Markets Tax Credit program has successfully fostered competition for private sector investment into low-income communities that lack access to the capital needed to support and grow businesses, create jobs, and sustain healthy local economies. The investments made possible by today’s awards will have significant impact nationwide.”

ANNIE DONOVAN  
CDFI FUND DIRECTOR

Through the NMTC Program, the CDFI Fund allocates tax credit authority to Community Development Entities (CDEs) through a competitive application process. CDEs are financial intermediaries through which investment capital flows from an investor to a qualified business located in a low-income community. CDEs use their authority to offer tax credits to investors in exchange for equity in the CDE. With these capital investments, CDEs can make loans and investments to businesses operating in distressed areas that have better rates and terms and more flexible features than the market. The NMTC Program helps to offset the perceived or real risk of investing in distressed and low-income communities. In exchange for investing in CDEs, investors claim a tax credit worth 39 percent of their original CDE equity stake, which is claimed over a seven-year period. In addition to receiving a tax benefit, investors have the advantage of entering new, unsaturated markets before their competitors, thereby increasing their chances of success. The NMTC Program enables investors to gain recognition for supporting the revitalization of America’s communities.

## NMTC PROGRAM HISTORY:

- In the 12 rounds to date, the CDFI Fund has made 912 allocation awards totaling \$43.5 billion in tax credit authority, including \$3 billion in Recovery Act awards and \$1 billion that was specifically set aside for recovery and redevelopment in the wake of Hurricane Katrina.
- \$35.3 billion in New Markets Tax Credits have been invested in low-income communities since the program’s inception through FY 2013.

## IMPACT OF NMTC PROGRAM:

**For every \$1** invested by the federal government, **the NMTC Program generates over \$8** of private investment.

Since its inception, **the NMTC Program has created or retained an estimated 596,824 jobs.\***

It has also supported the construction of 28 million square feet of manufacturing space, 75 million square feet of office space, and 60 million square feet of retail space.

The IRS’s NMTC Program regulations generally require that at least 85 percent of QEI proceeds be invested in Qualified Low-Income Community Investments (QLICs). All 76 of the 2014 allocatees indicated that they would invest at least 95 percent of QEI dollars into QLICs. In real dollars, this means **at least \$453 million** above and beyond what is minimally required by the NMTC Program will be **invested in low-income communities**.

## GEOGRAPHIC LOCATION OF ALLOCATEES

# 76

THE 76 ALLOCATEES ARE HEADQUARTERED IN 27 DIFFERENT STATES AND THE DISTRICT OF COLUMBIA.

## 37

37 OF THE ALLOCATEES (OR 49 PERCENT) WILL FOCUS INVESTMENT ACTIVITIES ON A NATIONAL SERVICE AREA;

## 12

12 OF THE ALLOCATEES (OR 16 PERCENT) WILL FOCUS ON A MULTI-STATE SERVICE AREA;

## 14

14 OF THE ALLOCATEES (OR 18 PERCENT) WILL FOCUS ACTIVITIES ON A STATEWIDE SERVICE AREA;

## 13

AND 13 OF THE ALLOCATEES (OR 17 PERCENT) WILL FOCUS ON LOCAL MARKETS (E.G., A CITYWIDE OR COUNTYWIDE AREA).

### INVESTMENT ACTIVITIES

*Approximately \$2.530 billion (73.6 percent) of NMTC investment proceeds will likely be used to finance and support loans to or investments in operating businesses in low-income communities.*

*Approximately \$908.5 million (26.4 percent) of NMTC investment proceeds will likely be used to finance and support real estate projects in low-income communities.*

### URBAN VS. RURAL INVESTMENT AREA\*

APPROXIMATELY  
**\$1.905  
BILLION**  
WILL BE INVESTED  
IN MAJOR URBAN  
AREAS

APPROXIMATELY  
**\$813  
MILLION**  
WILL BE INVESTED  
IN MINOR URBAN  
AREAS

APPROXIMATELY  
**\$721  
MILLION**  
WILL BE INVESTED  
IN RURAL AREAS

\*Based on initial estimates of 2014 allocatees

CDFIs vs. Non-CDFIs

# 30.3%

of the allocatees are certified Community Development Financial Institutions (CDFIs) or subsidiaries of certified CDFIs. They received allocations totaling \$1.062 billion.



# LIST OF ALLOCATION RECIPIENTS

Name of Allocatee	City	State	Service Area	Allocated Amount
AMCREF Community Capital, LLC	New Orleans	Louisiana	National	\$75,000,000
Banc of America CDE, LLC	Washington	District of Columbia	National	\$55,000,000
Black Business Investment Fund of Central Florida, Inc.	Orlando	Florida	Local	\$20,000,000
Border Communities Capital Company, LLC	Carlsbad	California	Multi-State	\$25,000,000
CapFund New Markets LLC	Lansing	Michigan	Multi-State	\$55,000,000
Capital One Community Renewal Fund, LLC	New Orleans	Louisiana	National	\$55,000,000
CCG Community Partners, LLC	Princeton	New Jersey	National	\$55,000,000
CEI Capital Management LLC	Portland	Maine	National	\$55,000,000
Central Bank of Kansas City	Kansas City	Missouri	Multi-State	\$60,000,000
Chase New Markets Corporation	New York	New York	National	\$60,000,000
Chicago Community Loan Fund	Chicago	Illinois	Local	\$15,000,000
Chickasaw Nation Community Development Endeavor LLC	Ada	Oklahoma	National	\$20,000,000
Cincinnati Development Fund	Cincinnati	Ohio	Multi-State	\$42,350,000
Cincinnati New Markets Fund, LLC	Cincinnati	Ohio	Local	\$45,000,000
Citibank NMTC Corporation	New York	New York	National	\$55,000,000
City First New Markets Fund II, LLC	Washington	District of Columbia	Multi-State	\$50,000,000
Civic San Diego Economic Growth and Neighborhood Investment Fund	San Diego	California	Local	\$25,000,000
Cleveland New Markets Investment Fund II LLC	Cleveland	Ohio	Local	\$50,000,000

Name of Allocatee	City	State	Service Area	Allocated Amount
Commonwealth Cornerstone Group	Harrisburg	Pennsylvania	Statewide	\$45,000,000
Community First Fund	Lancaster	Pennsylvania	Local	\$30,000,000
Community Health Center Capital Fund, Inc.	Boston	Massachusetts	National	\$25,000,000
Community Hospitality Healthcare Services LLC	Placida	Florida	National	\$50,000,000
Community Impact Fund, LLC	Dover	Delaware	National	\$45,000,000
Community Loan Fund of New Jersey, Inc.	New Brunswick	New Jersey	Statewide	\$50,000,000
Corporation for Supportive Housing	New York	New York	National	\$40,000,000
Dakotas America, LLC	Renner	South Dakota	National	\$65,000,000
Dallas Development Fund	Dallas	Texas	Local	\$45,000,000
Development Fund of the Western Reserve, Inc.	Akron	Ohio	Local	\$45,000,000
Enhanced Community Development, LLC	New Orleans	Louisiana	National	\$65,000,000
Enterprise Financial CDE, LLC	St. Louis	Missouri	Multi-State	\$65,000,000
ESIC New Markets Partners LP	Columbia	Maryland	National	\$60,000,000
Finance New Mexico, LLC	Santa Fe	New Mexico	Statewide	\$45,000,000
First-Ring Industrial Redevelopment Enterprise, Inc.	West Allis	Wisconsin	Local	\$35,000,000
Florida Community Loan Fund, Inc.	Orlando	Florida	Statewide	\$55,000,000
Forward Community Investments, Inc.	Madison	Wisconsin	Statewide	\$20,000,000
Genesis LA CDE LLC	Los Angeles	California	Local	\$30,000,000
Greenville New Markets Opportunity II, LLC	Greenville	South Carolina	Local	\$35,000,000
Hampton Roads Ventures, LLC	Norfolk	Virginia	National	\$55,000,000
Heartland Regional Investment Fund, L.L.C.	St. Louis	Missouri	Multi-State	\$30,000,000
IFF	Chicago	Illinois	Multi-State	\$50,000,000
Jubilee Manna CDE, LLC	Washington	District of Columbia	Statewide	\$15,000,000
Local Initiatives Support Corporation	New York	New York	National	\$70,000,000
Low Income Investment Fund	San Francisco	California	National	\$60,000,000
M&I New Markets Fund, LLC	Chicago	Illinois	Multi-State	\$45,000,000
Mascoma Community Development, LLC	Lebanon	New Hampshire	Multi-State	\$55,000,000

Name of Allocatee	City	State	Service Area	Allocated Amount
MassDevelopment New Markets LLC	Boston	Massachusetts	Statewide	\$50,000,000
Maya Cinemas New Markets CDE, LLC	Los Angeles	California	National	\$15,000,000
MBS Urban Initiatives CDE, LLC	St. Louis	Missouri	National	\$55,000,000
Mid-City Community CDE, LLC	Bethesda	Maryland	National	\$40,000,000
Midwest Industrial Redevelopment Fund, LLC	St. Louis	Missouri	Multi-State	\$50,000,000
Midwest Renewable Capital, LLC	Grimes	Iowa	National	\$65,000,000
Montana Community Development Corporation	Missoula	Montana	Multi-State	\$65,000,000
National Community Fund I, LLC	Portland	Oregon	National	\$65,000,000
National New Markets Fund, LLC	Los Angeles	California	National	\$55,000,000
National New Markets Tax Credit Fund, Inc	Minneapolis	Minnesota	National	\$55,000,000
National Trust Community Investment Corporation	Washington	District of Columbia	National	\$45,000,000
New Markets Community Capital, LLC	Los Angeles	California	Statewide	\$35,000,000
New Markets Redevelopment LLC	Oklahoma City	Oklahoma	Statewide	\$25,000,000
Northern California Community Loan Fund	San Francisco	California	Statewide	\$45,000,000
Ohio Community Development Finance Fund	Columbus	Ohio	Statewide	\$55,000,000
Opportunity Fund Northern California	San Jose	California	Statewide	\$40,000,000
Pittsburgh Urban Initiatives LLC	Pittsburgh	Pennsylvania	Local	\$20,000,000
Primary Care Development Corporation	New York	New York	National	\$55,000,000
RBC Community Development, LLC	New Albany	Ohio	National	\$50,000,000
REI Development Corp.	Durant	Oklahoma	Statewide	\$35,000,000
Reinvestment Fund, Inc., The	Philadelphia	Pennsylvania	National	\$65,000,000
Rural Development Partners LLC	Mason City	Iowa	National	\$75,000,000
St. Louis Development Corporation	St. Louis	Missouri	Multi-State	\$45,000,000

Name of Allocatee	City	State	Service Area	Allocated Amount
Stonehenge Community Development, LLC	Baton Rouge	Louisiana	National	\$25,000,000
The Community Builders CDE LLC	Boston	Massachusetts	National	\$40,000,000
Three Rivers CDE	Pontotoc	Mississippi	Statewide	\$25,000,000
Urban Action Community Development LLC	Baltimore	Maryland	National	\$45,000,000
Urban Development Fund, LLC	Chicago	Illinois	National	\$45,000,000
Urban Research Park CDE, LLC	Hunt Valley	Maryland	National	\$50,000,000
USBCDE, LLC	St. Louis	Missouri	National	\$55,000,000
Wells Fargo Community Development Enterprises, Inc.	San Diego	California	National	\$75,000,000







# KEY HIGHLIGHTS:

## APPLICANTS VS. ALLOCATEES

263 CDEs applied for allocations, requesting a total of approximately \$19.9 billion in allocations. The CDFI Fund made allocation awards totaling \$3.512 billion\*, or about 17.6 percent of the total amount requested by applicants, to 76 CDEs (or 28.9 percent of the total applicant pool).

## MINORITY-OWNED OR CONTROLLED ENTITIES

6 of the allocatees (or 7.9 percent) are minority-owned or controlled entities. They received allocations totaling \$165 million.

## ECONOMICALLY DISTRESSED COMMUNITIES

All 76 of the allocatees committed to providing at least 75 percent of their investments in areas characterized by: 1) multiple indicia of distress; 2) significantly greater indicia of distress than required by NMTC Program rules; or 3) high unemployment rates.

## RURAL COMMUNITIES\*\*

12 allocatees met the criteria for “Rural CDE” designation. These 12 Rural CDEs received allocations totaling \$625 million. 31 allocatees (or about 40.8 percent) will be required to deploy some or all of their investments in non-metropolitan counties; totaling approximately \$689 million, or 20 percent of the QLICs to be made with this allocation round.

## INITIATIVES SECTION:

While there was no specific set-aside of tax credits for healthy food financing in the 2014 NMTC allocation round, applicants were asked to indicate if they intend to devote a percentage of their allocation to Healthy Food Financing activities. 51 of the 76 allocatees (or 67.1 percent) indicated that they intend to devote some portion of their NMTC allocation to Healthy Food Financing activities.

*\*The American Tax Increase Prevention Act of 2014 provided \$3.5 billion in allocation authority for the CY 2014 Round. In addition to the \$3.5 billion, the NMTC Program allocated approximately \$12.35 million of unused, rescinded, or surrendered allocation authority from prior rounds.*

*\*\*For further information, see the 2014 Notice of Allocation Authority.*





## ADDITIONAL RESOURCES

Learn more about the New Markets Tax Credit Program: [www.cdfifund.gov/nmtc](http://www.cdfifund.gov/nmtc)

Explore where in the country New Markets Tax Credit Program awardees are serving: [www.cdfifund.gov/statesserved](http://www.cdfifund.gov/statesserved)

View previous award rounds of the CDFI Fund's programs: [www.cdfifund.gov/awards](http://www.cdfifund.gov/awards)

Visit [www.cdfifund.gov](http://www.cdfifund.gov) to learn about other CDFI Fund programs and how to apply.

View the CDFI Fund's [press kit](#) to learn more about the CDFI Fund.