



NEW **MARKETS** TAX CREDIT **PROGRESS REPORT**

nmtccoalition.org/progress-report

2023

The NMTC Coalition's annual report on the loans, investments, and community impact of the New Markets Tax Credit.

NEW MARKETS TAX CREDIT COALITION

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Rapoza Associates prepared this report for the New Markets Tax Credit Coalition.

The New Markets Tax Credit (NMTC) Coalition is a national membership organization that advocates for the NMTC program. The Coalition, which now includes more than 150 members, is managed by Rapoza Associates, a public interest lobbying, policy analysis, and government relations firm located in Washington, DC. Paul Anderson is the principal author and designer of this report. Data for the report comes primarily from the NMTC Coalition's annual survey of Community Development Entities. This year, 60 CDEs participated in the survey. Their answers were supplemented by data from the Office of the Comptroller of the Currency, Open Corporate, Loopnet, annual reports, and other online materials from NMTC-financed businesses and nonprofits.

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CONTENTS

By the Numbers	6
Highlights	8
About the NMTC	10
2022 NMTC News Roundup	11
How The NMTC Works	12
Survey of 2022 Activity	13
Introduction	14
Project Types	15
Project Types: Trends	16
Project Components	17
Healthcare	18
Manufacturing and Industrial Businesses	20
Fighting Food Insecurity	22
Education and Training	24
Supporting Underserved Populations	26
Supporting Indigenous People	28
Honoring Our Veterans	30
Tackling the Housing Crisis	32
Arts, Culture, Tourism	33
Community Characteristics	34
Investor Trends	35
Other 2022 Trends	36
Community Benefit Agreements	37
2023 Pipeline	39
2022 Case Studies	
Wholestone Farms	40
Our House	43
DC Central Kitchen: Michael Klein Center	46
Appendix: 2022 Project Components	50

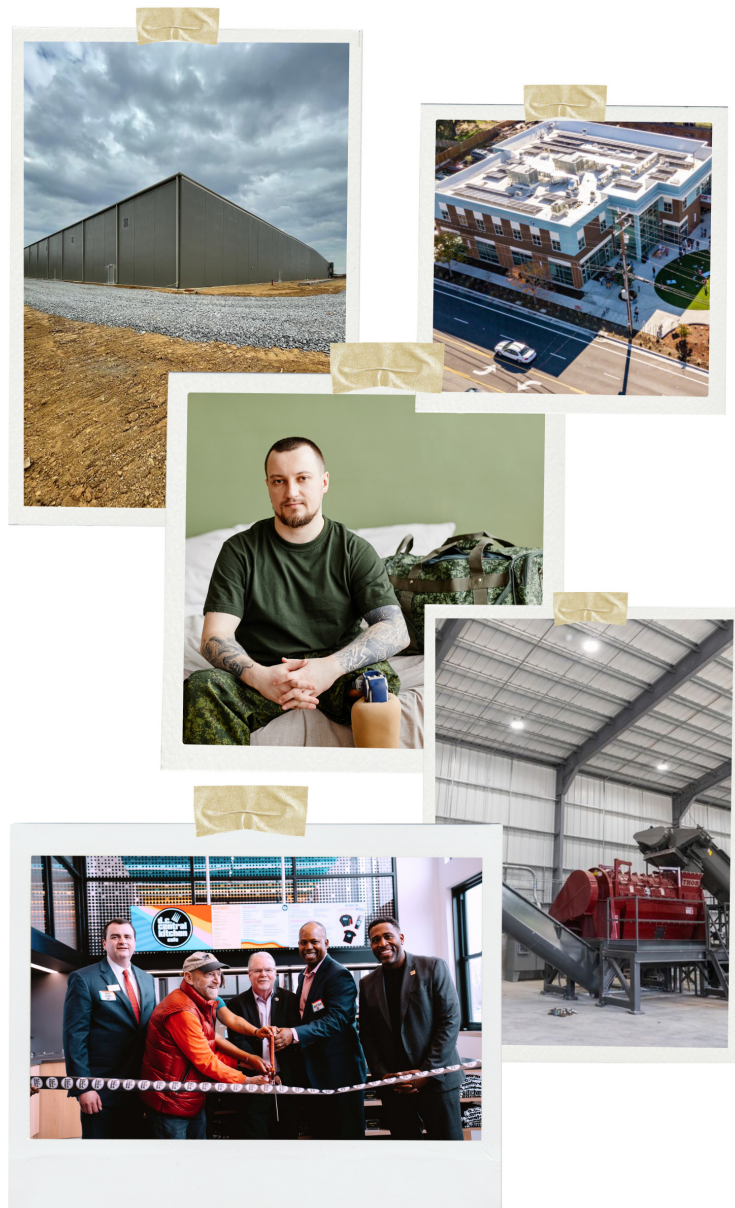
COVER IMAGE:

Greater Cleveland Food Bank's new warehouse space.

RIGHT:

In 2022, CEI (allocattee) and Wells Fargo (investor) supported Tubelite, creating quality manufacturing jobs in Mesquite, Texas.





2023 NMTC **PROGRESS** REPORT

JUNE 2023

2022

BY THE NUMBERS



One City Schools (above). CDEs: IFF, Old National CDE Corporation, Forward Community Investments.
Investor: Old National Bank.



PROJECTS

Respondents to the NMTC Coalition's annual survey financed 297 projects in 40 states and the District of Columbia, including a new campus for One City Schools in Madison, Wisconsin.



INVESTMENT

CDEs used \$3.2 billion in NMTC allocation to deliver \$6.7 billion in total project investment to low-income communities, including an upgraded facility for the Santa Cruz Community Health Center in Santa Cruz, California.

Santa Cruz Community Health Center (below).
CDEs: National Development Council, Primary Care Development Corporation. Investor: U.S. Bancorp CDC





52.8K JOBS

Including 29,210 permanent full-time-equivalent (FTE) jobs, and 23,612 construction jobs.



13.7M SQ. FT. OF REAL ESTATE

renovated or constructed with NMTC financing, including 4.8 million in manufacturing space.



138 EDUCATION PROGRAMS

supported in 2022, including vocational training, early childhood education, K-12 schools, and colleges.



98 MANUFACTURING BUSINESSES

were supported through 4.8 million sq. ft. in new or renovated facilities and shared industrial space, working Capital and equipment loans, and business incubators, generating over 11,000 FTE manufacturing jobs.



30.5% OF PROJECTS IN NON-METRO

counties, creating more than 14,500 permanent full-time jobs and construction jobs in rural America.



92 PROJECTS EXPANDED HEALTHCARE ACCESS FOR 1.2 MILLION PATIENTS

Healthcare projects included 53 Federally Qualified Health Centers, safety-net hospital expansions, and free clinics.



181 MILLION MEALS

NMTC financed projects served over 181 million meals to food-insecure families and children.

2022 NMTC Projects

HIGHLIGHTS

JOBS AND INVESTMENT

- 297 projects totaling \$6.7 billion received \$3.2 billion in NMTC allocation (at a ten-year cost to the federal government of \$832 million).
- Projects generated 52,822 jobs in 2022, including 29,210 permanent full-time-equivalent (FTE) jobs and 23,612 construction jobs. The federal cost per job averaged just over \$15,000.

AREAS TARGETED

- Projects were located in 188 cities located in 40 states and the District of Columbia.
- Severe Distress: 83.1 percent of projects were located in severely distressed communities, and 30.5 percent were in non-metropolitan counties.
- 59 percent of projects were in communities of color (minority census tracts).¹ Eight projects (2.7 percent) were in Indian Country or were in majority-Indigenous census tracts.

EQUITY PRICING

NMTC equity pricing increased over the course of 2022. The median price reported was \$0.77, ranging from \$0.61 to \$1.00.

COMPONENTS OF PROJECTS

Jump-starting American Manufacturing: NMTC financing supported 98 manufacturing and industrial businesses with direct loans and equity investments for working capital, new equipment, or 4.8 million sq. ft. of new or renovated industrial space, including shared, light industrial space for multiple manufacturing businesses.

Real Estate: NMTC financing supported the construction or renovation of 13.7 million square feet (sq. ft.) of real estate and the construction or renovation of 3,054 homes and rental units targeted at low-to-moderate-income households.

1. "Minority census tract" includes any census tract that has a minority population of at least 30 percent and a median income of less than 100 percent of the area median income.

2022 PROJECT: MONTANA TIMBER PRODUCTS

Caldwell, ID

CDE: MoFi, Investor: First Interstate Bank

The acquisition of land and the construction of a 35,000 sq. ft. light manufacturing facility and yard space allows Montana Timber Products to expand its production and storage capacity to meet growing demand.



2022 NMTC Projects

HIGHLIGHTS

STRENGTHENING COMMUNITY ASSETS

Expanding Access to Healthcare: The NMTC expanded healthcare access for 1.2 million individuals through 92 projects and service providers. Those projects included 53 federally qualified health centers, safety-net hospitals, and free clinics.

Expanding Access to Services:

- Fifty-seven percent of projects included at least one community facility, affordable housing, a nonprofit, or social service component. Those new community resources add up to 365 nonprofits, health centers, childcare centers, libraries, community centers, and other community facilities and social service providers.
- Over 60,000 individuals (annually) will receive vocational training, take advantage of expanded college and university facilities, receive financial education, or participate in other adult education or workforce development programs.
- Food banks, pantries, and community food programs financed in 2022 will facilitate an estimated 18.2 million meals to the food insecure.

Project Selection Trends:

- In comparison to early in the program (2003-2010), in recent years (2018-2022), NMTC projects are much more likely to support healthcare, manufacturing, co-located social services, food banks, and services for people experiencing homelessness.



"Feeding Northeast Florida has long needed a larger, more efficient facility from which to serve those in our community facing hunger. Florida Community Loan Fund immediately understood the value and importance of this project and partnered with us to make this dream a reality. We are grateful for their vision and expertise throughout this process."

-SUSAN KING, PRESIDENT & CEO, FEEDING NORTHEAST FLORIDA

ABOUT THE NMTC

Communities count on the New Markets Tax Credit to make important investments possible.

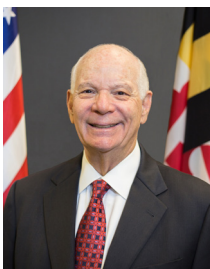
The New Markets Tax Credit (NMTC) is an important source of financing for businesses and community facilities in America's most distressed rural and urban communities. Congress authorized the NMTC in 2000 to bring down the cost of capital in communities outside of the economic mainstream. Taxpayers receive a 39 percent federal tax credit (taken over seven years) for qualified investments into Community Development Entities (CDEs), organizations with a track record of loans and investments in underserved areas. CDEs use the proceeds of those investments to finance business expansions, community facilities, and other projects communities prioritize.

LEGISLATIVE STATUS

The NMTC is not a permanent part of the tax code. The initial authorization for seven years – 2001 to 2007 – was included in the Community Renewal Tax Relief Act of 2000 (P.L. 106-554). Since that time, Congress has extended the NMTC eight times. Most recently, the Omnibus and COVID Relief and Response Act of 2020 (P.L. 116-260), extended the NMTC for five years from 2021 to 2025 at \$5 billion in annual allocation authority, the largest extension in the history of the Credit.

NMTC PERMANENCE CAMPAIGN

The New Markets Tax Credit expires **on December 31, 2025**. The bipartisan **New Markets Tax Credit Extension Act of 2023** (H.R. 2539 and S. 234) would extend the program indefinitely and expand both the allocation level and investor base.



S. 234

Led by Senators Ben Cardin (D-MD) and Steve Daines (R-MT)



H.R. 2539

Led by Representatives Claudia Tenney (R-NY) and Terri Sewell (D-AL)

"The New Markets Tax Credit is a win-win-win – it has been an invaluable tool for encouraging investment into our communities, creating good-paying jobs in Montana, and spurring growth in local economies across the nation. It's time we make a permanent commitment to helping our Montana communities thrive and economies grow."

-SENATOR STEVE DAINES (R-MT)

2022 NMTC NEWS ROUND-UP

2022 NMTC ALLOCATION ROUND OPENS

November 18, 2022: The CDFI Fund received 197 applications requesting \$14.8 billion in allocation, nearly three times the amount available (\$5 billion).

2021 NMTC ALLOCATION AWARDS ANNOUNCED

October 28, 2022: Treasury announces \$5 billion in its calendar year 2021 NMTC allocation awards at the Lexington Market in Baltimore, MD. The 107 award recipients were headquartered in thirty-five different states and the District of Columbia.

CDFI FUND RELEASES PUBLIC DATA ON NMTC TRANSACTIONS

October 13, 2022: The CDFI Fund released its annual report on NMTC transactions. This report covered \$60 billion in investments from FY 2003 through FY 2020.

CDFI FUND SEEKS COMMENTS ON CDFI CERTIFICATION PROCESS

October 4, 2022: The CDFI Fund releases a preview of its updated CDFI certification allocation for comment. Many NMTC allocatees are also certified CDFIs. The request for comment follows the October 1, 2022, pause in CDFI certifications, which is expected to last a year.

FASB SEEKS INPUT TO IMPROVE ACCOUNTING FOR TAX CREDIT INVESTMENTS

August 22, 2022: The Financial Accounting Standards Board (FASB) issued a proposed Accounting Standards Update to improve the accounting and disclosures for investments in tax credit structures, including the NMTC.

2022 NMTC PROGRESS REPORT RELEASED

June 23, 2022: NMTC Coalition's annual report on 2021 NMTC transaction activity finds over 52,000 jobs created by the program in 2021.

BANK REGULATORY AGENCIES ISSUE JOINT PROPOSAL TO STRENGTHEN AND MODERNIZE COMMUNITY REINVESTMENT ACT REGULATIONS

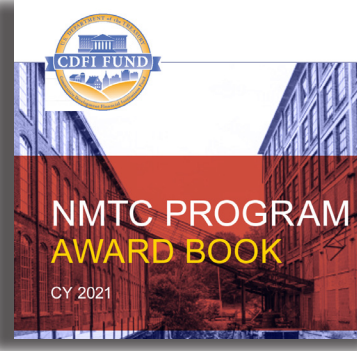
May 5, 2022: The Federal Reserve, Federal Deposit Insurance Corporation and Office of the Comptroller of the Currency released their proposal to overhaul and modernize Community Reinvestment Act regulations.

CDFI FUND SELECTS CONTRACTOR FOR NMTC NATIVE INITIATIVE

April 18, 2022: The CDFI Fund announced that Big Water Consulting, LLC, will take the lead on research for its NMTC Program Native Initiative, an effort to increase NMTC investment in Federal Indian Reservations, Off-Reservation Trust Lands, Hawaiian Home Lands, and Alaska Native Village Statistical Areas.

2021 NMTC ALLOCATION AWARD APPLICATION CLOSES

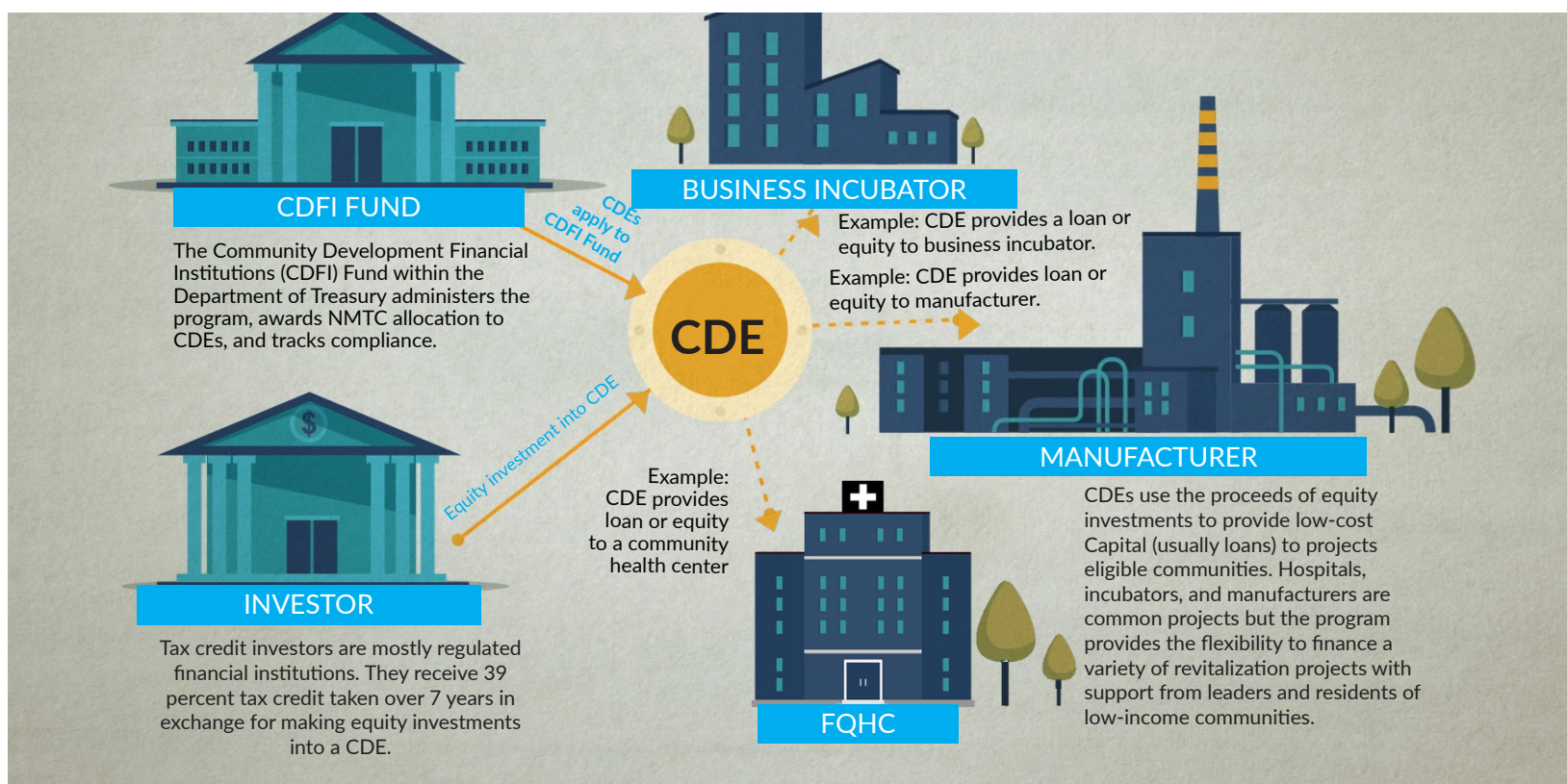
January 13, 2022: The 199 CDEs that applied in the 2021 round were headquartered in 43 states, the District of Columbia, Guam, and Puerto Rico. These applicants requested an aggregate total of \$14.7 billion in NMTC allocation authority, nearly three times the \$5.0 billion in authority available for the 2021 round.



HOW THE NMTC WORKS

MOBILIZING CAPITAL FOR HIGH-IMPACT PROJECTS FOR 20+ YEARS

At the center of the NMTC program are Community Development Entities (CDEs). A CDE must be a domestic corporation, have a demonstrated mission of serving or providing capital to low-income communities or people, and maintain accountability to residents of low-income communities through representation on a governing or advisory board. Most CDEs are affiliates of mission-driven organizations such as Community Development Financial Institutions, for-profit entities, community development corporations, government entities, or banks. CDEs craft a high-impact business plan and apply to the CDFI Fund for NMTC allocation. If successful, they can begin to raise equity from investors and deploy it to projects.



ADDRESSING THE CAPITAL GAP IN DISTRESSED COMMUNITIES

The NMTC provides gap financing, allowing investment to flow to areas underserved by conventional lenders. Investors and firms often lack sufficient data to assess property value or consumer demand in low-income communities, where informal economies distort data. The Capital gap deprives businesses of the investment dollars needed to set up shop and expand, and it prevents communities from financing new healthcare facilities, community centers, and cultural amenities.

Example: A nonprofit needs \$10 million to construct a new facility and meet growing demand, but it can only secure a combination of \$7.5 million from donors and conventional lenders. The NMTC fills the \$2.5 million gap and makes the expansion possible.

\$10 MILLION TOTAL PROJECT COST

**\$7.5 MILLION IN
CONVENTIONAL FINANCING**

\$2.5 MILLION GAP

SURVEY OF 2022 NMTC PROJECTS

Analysis of 297 projects accounting for \$3.2 billion in NMTC allocation deployed in 2022.

This year, 60 CDEs participated in the survey. Their answers were supplemented by data from the Office of the Comptroller of the Currency, Open Corporate, Loopnet, annual reports, and other online materials from NMTC-financed businesses and nonprofits.



2022 PROJECT EXAMPLE: PORTSMOUTH STEM ACADEMY CDE: WESBANCO BANK COMMUNITY DEVELOPMENT CORPORATION.

INVESTOR: WESBANCO BANK, INC.

Portsmouth STEM Academy (PSA) received NMTC financing to purchase a property and free up additional revenue for scholarships and faculty support. PSA also provides approximately 25 annual physical and occupational therapy sessions to students with disabilities.

INTRODUCTION

The 2023 New Markets Tax Credit (NMTC) Progress Report was prepared for the NMTC Coalition, a national membership organization of Community Development Entities (CDEs) and investors organized to advocate on behalf of the NMTC. Every year since 2005, the NMTC Coalition has surveyed CDEs on their work with the NMTC, delivering billions of dollars to businesses, creating jobs, and rejuvenating the small towns and neighborhoods that have been left behind. Our annual NMTC Progress Report presents the findings of the CDE survey and provides policymakers and practitioners with the latest trends and successes of the NMTC.

METHODOLOGY

Sixty CDEs participated in this year's survey. We supplemented survey data with analysis of historic, publicly available NMTC transaction data as well as data from OpenCorporates (a database of corporate records), Annual Reports from CDEs and organizations receiving NMTC financing, CDE websites, news stories and journal articles on projects, Loopnet (a database of commercial real estate), minutes and materials from local economic development meetings, phone interviews with CDEs, data from the U.S. Census Bureau, NMTC Coalition analysis of project data, and Public Welfare Investment data the Office of the Comptroller of Currency.

The data compiled for this report accounts for 91.7 percent of the NMTC allocation deployed in 2022. We survey CDEs (rather than investors), so our data on NMTC equity investments is not as comprehensive. However, we were able to determine the NMTC equity investor for 87.7 percent of projects financed in 2022.

2022 PROJECT: CLIFTON CULTURAL ARTS CENTER

CDES: FINANCE FUND, PNC, CINCINNATI DEVELOPMENT FUND. INVESTOR: PNC.

Construction of an 18,000 sq. ft. community arts center in the Clifton Business District of Cincinnati provides ample performance and rehearsal space, classrooms, accessible community gathering space, two art galleries, a rooftop patio, and accessible parking.



Survey of 2022 NMTC Projects

PROJECT TYPES

Project selection largely followed historical trends in 2022, with a plurality of projects supporting business development (including manufacturing and business incubators), about one-third of projects supporting healthcare, education, and community services, and the balance supporting a mix of social services and for-profit endeavors.

Type	Total Project Costs (billions)	Percentage
Community	\$2.32	35.7%
Business Development	\$2.88	44.4%
Multi-Purpose	\$1.29	19.9%

When we dig a bit deeper into the above categories, we find that manufacturing was once again the most popular use of NMTC allocation for those reporting (23.2 percent of allocation) followed by healthcare (15.2 percent), nonprofit hubs, and social service campuses (14.8 percent), mixed-use (8.1 percent) and shelters and community food (6.9 percent).

Project Type	Total Project Costs (millions)	Percentage
Manufacturing	\$2,310.7	35.6%
Mixed-use	\$674.1	10.4%
Healthcare	\$668.1	10.3%
Nonprofit Hub	\$613.2	9.5%
Municipal Facilities and Schools	\$379.1	5.8%
Arts and Culture	\$298.8	4.6%
Shelters and Community Food	\$271.2	4.2%
Infrastructure, Transportation, Utilities	\$257.6	4.0%
Community (Other)	\$200.1	3.1%
Recreation	\$178.8	2.8%
College or Vocational Training	\$169.0	2.6%
Housing	\$151.2	2.3%
Incubator	\$125.2	1.9%
Other	\$59.4	0.9%
Science, Research, Technology	\$57.6	0.9%
Retail and Service Sector	\$36.2	0.6%
Hotels and Tourism	\$35.9	0.6%
Grand Total	\$6,486.3	

Note: The "Community (Other)" category includes childcare centers and other nonprofit service providers.

Survey of 2022 NMTC Projects

PROJECT TYPES: TRENDS

While project selection tends to be fairly stable from year to year, the program looks much different than in the early years. Speaking broadly, the program has moved away from general-purpose, commercial real estate projects and toward manufacturing and social service providers.

In some ways, the NMTC program mirrors trends in the American economy. For example, overall retail construction declined from about 69 million sq. ft. in 2007 to about 9 million sq. ft. in 2021, a trend mirrored by the NMTC industry (see the chart below). In addition, the increase in NMTC manufacturing business financing follows a similar trajectory to the expansion of American manufacturing over the past decade following the deindustrialization of the economy in the late 20th century.

As a community-driven program, NMTC project selection also shifts in reaction to emerging social challenges. For example, as homelessness and food insecurity increased over the past decade, CDEs have prioritized financing food banks, shelters, and other facilities supporting our most vulnerable citizens. Increasingly, these projects involve the co-location of social services (see the 584.4% increase in nonprofit hubs below). We have also seen an increase in projects supporting traditionally underserved populations, including Indigenous people.

Finally, stiff competition for allocation influences project selection. Hotels can serve as economic drivers for low-income communities, creating accessible jobs with advancement opportunities. However, there is a perception that the CDFI Fund favors other industries over hotels.

Project Type	2003-2010 Percentage	2018-2022 Percentage	Percent Change
Nonprofit Hubs	1.2%	8.3%	584.4%
Shelters and Community Food	0.8%	3.0%	278.8%
Community (Other)	1.5%	3.7%	138.6%
Manufacturing	13.7%	30.7%	124.6%
Recreation	1.1%	2.3%	104.6%
College or Vocational Training	2.0%	3.0%	54.7%
Infrastructure, Transport., Utilities	3.4%	5.0%	46.3%
Incubators	2.7%	3.9%	42.8%
Healthcare	8.9%	12.2%	36.4%
Science, Research, Technology	0.9%	0.6%	-38.0%
Housing	3.1%	1.8%	-41.9%
Arts and Culture	6.8%	3.9%	-43.0%
Mixed-use	23.0%	12.6%	-45.0%
Municipal Facilities and Schools	8.1%	4.4%	-45.6%
Other	2.0%	0.6%	-71.7%
Retail and Service Sector	14.3%	3.0%	-79.0%
Hotels and Tourism	6.4%	1.0%	-84.5%

Note: The "Community (Other)" category includes childcare centers and other nonprofit service providers.

Survey of 2022 NMTC Projects

PROJECT COMPONENTS

PROJECT COMPONENTS

Many NMTC projects are multi-faceted, combining a variety of asset classes, types of organizations, tenants, facilities, and real estate uses. Of the 297 projects financed in 2022, 198 projects (66.7 percent) included multiple components. We identified 686 separate elements of the 297 projects. A full table of project components is at the end of this report.

MULTI-COMPONENT EXAMPLE: THE VILLAGE

CDES: TELACU. INVESTOR: U.S. BANCORP COMMUNITY DEVELOPMENT CORPORATION. PROJECT SPONSOR: RAY ADAMYK.

Pomona, CA

The Village project is the new home for a diverse variety of mission-aligned, community-oriented organizations dedicated to providing a safe and educational environment for this severely distressed low-income community's at-risk youth.

Tenants include:

1. The Spectra Company, a historic rehabilitation contractor;
2. Homes of Promise, a local substance abuse recovery-based nonprofit;
3. The Village Pomona, a nonprofit dedicated to youth leadership and arts education;
4. Just Us 4 Youth, a local group mentoring urban/at-risk youth;
5. Servant Partners, dedicated towards supporting the urban poor internationally;
6. Humanity Church in Pomona;
7. Leadership USA, a faith-based organization promoting leadership development for local adolescents;
8. Heart 2 Serve, assisting parolees and the displaced back into society;
9. Girls Fly, a mentoring group for adolescent young women;
10. IMentor Barber Shops;
11. Iron & Kin-a local café/grill;
12. An event center;
13. A co-working space; and
14. Other retail tenants.



Survey of 2022 NMTC Projects

HEALTHCARE

In 2022, 92 NMTC projects expanded access to healthcare services in low-income communities. Healthcare projects included 53 Federally Qualified Health Centers (FQHCs), safety-net hospitals, rural critical access hospitals, and free clinics supporting 1.2 million patients.

GRADY PONCE DE LEON CENTER INFECTIOUS DISEASE PROGRAM

Atlanta, GA

CDES: CAHEC NEW MARKETS, THE INNOVATE FUND, NATIONAL DEVELOPMENT COUNCIL, STONEHENGE
INVESTOR: TRUIST COMMUNITY CAPITAL

The project involves renovating and expanding the 55,000 sq. ft. Grady Health System HIV/AIDS clinic in Atlanta into a 74,729 sq. ft. facility, which will include a total overhaul. The Infectious Disease Program provides front-line care and supportive services for HIV/AIDS patients, including dental, infusion services, behavioral health and care coordination, and support services. In addition, the expansion will allow for a 50% increase in visitor capacity, ensuring that no person with HIV/AIDS goes unserved.

This will be the first significant renovation of the Ponce Center since opening in 1993 during the early part of the AIDS crisis. Through this expansion, Grady aims to reduce HIV infections by 75% in five years and 90% in ten years.



CLINICAS BLYTHE

Blythe, CA

CDE: ACCION OPPORTUNITY FUND. INVESTOR: CAPITAL ONE.

The renovation of a 16,200 sq. ft. space will create an upgraded facility for an FQHC. The updated facility increases patient capacity and adds new medical services, including expanded primary care, dental, radiology, pharmacy, and integrated behavioral health. The new clinic is projected to increase its unique number of patients served annually from 3,334 to 8,000, 81 percent of whom are projected to be low-income and 91 percent of whom are projected to be minorities. In addition, approximately 1,332 clients will be at-risk youth.



NEW SPIRIT, LLC

Naytahwaush on the White Earth Reservation (MN)

CDES: BREMER CDE, MIDWEST MINNESOTA CDC. INVESTOR: BREMER BANK.

NMTC financing supported the development of a new health center in Naytahwaush on the White Earth Reservation. The new facility will deliver healthcare to White Earth Band tribal members and Native Americans living on the reservation or living nearby and seeking direct care services.



“

By consolidating locations, TCC will benefit from having streamlined operations and service delivery, along with additional providers and capacity to better serve the needs of our community.”

-Michael Pease, CEO of The Chautauqua Center (TCC) in Dunkirk, NY. The project was financed by Primary Care Development Corporation with an NMTC equity investment from M&T Bank.



UNITED HEALTH SERVICES (UHS): MOUNTAIN YOUTH ACADEMY

Mountain City, TN

CDES: MUNISTRATEGIES; PATHWAY LENDING CDE; PNC COMMUNITY PARTNERS.
INVESTOR: PNC

UHS replaced its outdated facility thanks to NMTC financing for the construction and operation of a 60,000 sq. ft., 120-bed residential treatment center for traumatized youth. The distressed condition of the previous facility limited the number of clients that could receive treatment each year. Upgrading the existing 88 beds and adding 32 new beds focused on treating at-risk youth ages 5 to 17 improved the surrounding area's access to essential mental health care.



GRACE WOODS SENIOR LIVING

Salem, OH

CDE: GREENLINE VENTURES. INVESTOR: U.S. BANCORP COMMUNITY DEVELOPMENT CORPORATION

NMTC financing supported a 31-unit assisted living and skilled nursing facility in rural Eastern Ohio. The financing allowed the organization to make capital improvements to the facility.

GREATER PHILADELPHIA HEALTH ACCESS: HUNTING PARK HEALTH CENTER

Philadelphia, PA

CDE: WELLS FARGO. INVESTOR: WELLS FARGO.
SPONSOR: CITIZEN POTAWATOMI NATION.

NMTC financing was used as part of a \$10.2 million capital stack needed for the renovation and expansion of Greater Philadelphia Health Action's (GPHA) existing one-story, 13,000 sq. ft. medical building into a two-story, 26,000 sq. ft. federally qualified health center. The medical complex will house GPHA's current practice groups of primary care and dental and expand services to include behavioral health and a pharmacy.



Survey of 2022 NMTC Projects

MANUFACTURING AND INDUSTRIAL BUSINESSES

In 2022, the NMTC supported 98 industrial sector businesses and projects, from small, craft beverage manufacturers to the world's largest wood pellet plant.

As the world enters a clean-tech industrial revolution, American manufacturing is reasserting its strength through smart factories, automation, and cutting-edge technology. The NMTC helps ensure America's growing manufacturing sector supports communities left behind during the deindustrialization of the past century. In 2022, CDEs helped deliver \$2.3 billion in financing to rejuvenate manufacturing in distressed communities, creating thousands of new manufacturing jobs paired with quality benefits and robust training programs.

NEMAK KENTUCKY

Glasgow, KY

CDE: AMCREF. INVESTOR: U.S. BANCORP COMMUNITY DEVELOPMENT CORPORATION

154 FTE JOBS

To remain competitive and relevant in the evolving automotive industry, NemaK is rapidly increasing its investments in Electric Vehicle (EV) related programs to support its customers' mission for an all-electric future and more sustainable mobility.

The market is trending away from traditional internal combustion engines towards electric motors. As a result, auto parts manufacturers like NemaK must adapt quickly to remain viable in the market. Unfortunately, NemaK KY's existing facility did not possess the ability to service or bid on EV contracts.

NMTC financing supported facility upgrades that will position NemaK as a premiere EV machining firm and for significant future growth over competitors, particularly in Mexico and China. The project will enable NemaK KY's EV output to increase to 40% in the next 3 to 4 years, with that share rising over time.



E-PAK MANUFACTURING, LLC

Wooster, OH

CDE: ADVANTAGE CAPITAL COMMUNITY DEVELOPMENT FUND, LLC

E-Pak manufactures roll-off containers and trailers for the scrap metal, waste management, and environmental remediation industries. The company received two rounds of NMTC financing in 2022. The first funded capital expenditures and provided the company with working capital. The second provided the company with funds to refinance existing debt and provided working capital.





"With 50 years of experience in the business, combined with a new generation, we feel ready to tackle any challenge and are excited to explore all the new possibilities of this beautiful industry. Investing in our team and their creativity is truly what allows us to be so successful."

- Reza Momeni, President of Momeni, Inc., Adairsville, GA. Further information on this project is available on page 27.

HOUSTON MEAT DISTRIBUTORS, INC.

Pasadena, TX

CDES: FIVE POINTS CDE, LIBERTY BANK AND TRUST, PEOPLEFUND NMTC, RAZA DEVELOPMENT FUND. INVESTOR: U.S. BANCORP COMMUNITY DEVELOPMENT CORPORATION.

Houston Meat Distributors, Inc. relocated and expanded into its new headquarters in Pasadena, TX, thanks in part to NMTC financing. The new, state-of-the-art cold storage facility is part of a new 12-acre business park in Pasadena, the second largest city in the Houston metropolitan area. Houston Meat Distributors' relocation and expansion to this community brings new construction investment and jobs to the area, which has suffered from high levels of unemployment and poverty levels exceeding 40 percent.



SCHILLING GRAPHICS, INC.

Galion, OH (two locations); Owatonna, MN; Greeley, CO

CDE: ADVANTAGE CAPITAL COMMUNITY DEVELOPMENT FUND, LLC

Schilling Graphics manufactures and supplies custom silk screen tooling, inks, and related print room supplies. The company's products are used in the screen-printing process. This project provided Schilling Graphics with funds to refinance existing, expensive debt, purchase needed equipment, and provide working capital. The company has locations in four low-income communities across three states.



Survey of 2022 NMTC Projects

FIGHTING FOOD INSECURITY

Over the past few years, food insecurity has significantly escalated in low-income communities, primarily due to a confluence of economic pressures and systemic inequalities. Rising costs of living, stagnant wages, and the residual effects of the COVID-19 pandemic have exacerbated the struggle for many families to access affordable and nutritious food. Despite the relative stabilization of inflation, food prices have remained high and have grown faster than wages, disproportionately affecting lower-income households. Simultaneously, many low-income communities are classified as food deserts, having limited access to a diverse range of healthy foods. The result is a growing number of households that face food insecurity. This crisis requires new investments in initiatives to address both the accessibility and affordability of fresh and nutritious food.

In 2022, 69 NMTC investments helped communities tackle food insecurity. The food pantries and food banks financed provide 181 million meals annually.

FOOD BANK OF WESTERN MASSACHUSETTS

Chicopee, MA

CDES: EVERNORTH RURAL VENTURES; MASCOMA COMMUNITY DEVELOPMENT. INVESTOR: CAPITAL ONE.

SUPPORTING 14,857 FOOD INSECURE PEOPLE ANNUALLY

Since 1982, the Food Bank of Western Massachusetts has been a pioneer in the community by providing food to individuals and families in Berkshire, Franklin, Hampden, and Hampshire counties. NMTC financing supported the construction of a new facility that will centralize the food bank's operations, services, and resources to distribute more than seventeen million pounds of food by 2025 and expand its community programs. In addition to food distribution, the food bank also serves as a resource to help strengthen the emergency food network and develop long-term solutions to the underlying causes of hunger in their community.



FEEDING NORTHEAST FLORIDA (FNEFL)

Jacksonville, FL

CDE: FLORIDA COMMUNITY LOAN FUND. INVESTOR: U.S. BANCORP COMMUNITY DEVELOPMENT CORPORATION

ESTIMATED REACH OF 350,000 FOOD INSECURE PEOPLE ANNUALLY

NMTC financing supported the acquisition and renovation of a 120,000 sq. ft. warehouse to help a food bank expand its service area by 4-5 additional rural counties in Northeast Florida.

FNEFL serves a highly disadvantaged population where household incomes are all within 200 percent of the federal poverty level. The region's need for services to address food insecurity has grown dramatically by 78 percent over the past two years. Both with a significant increase in demand resulting from inflationary and economic pressures on these most vulnerable persons and a potential opportunity to expand services to five additional counties, FNEFL estimates that distribution demand will increase to as much as 56 million pounds, reaching over 350,000 individuals annually.





"I believe that this expansion will be truly transformational in our ability to fight against hunger and support everyone in our community."

-Greater Cleveland Food Bank President and CEO Kristin Warzocha

GREATER CLEVELAND FOOD BANK

Cleveland, OH

CDES: TRUIST; CLEVELAND NEW MARKETS INVESTMENT FUND; DEVELOPMENT FUND OF THE WESTERN RESERVE; THE COMMUNITY BUILDERS CDE. INVESTOR: TRUIST COMMUNITY CAPITAL

The Greater Cleveland Food Bank (GCFB) collaborates with community programs in six counties in Northeast Ohio. NMTC financing supported the construction of a 197,000 sq. ft. warehouse and distribution facility to house fresh, dry, and frozen food in the Collinwood neighborhood. The additional cold storage space will enable GCFB to increase the total distribution of food from 45.66 million pounds in 2018 to 59.64 million in 2029. Phase 1 of the project is expected to allow GCFB to serve an additional 100,000 clients annually and increase daily healthy meals from 4,000 to 8,000.



According to data from Feeding America, Cleveland's low-income population faces a shortage of 9 million meals each year.

HOUSING FIRST COMMUNITY COALITION (HFCC) / TOWNE TWIN VILLAGE

San Antonio, TX

CDES: ACCION OPPORTUNITY FUND; CAPITAL IMPACT PARTNERS, DV COMMUNITY INVESTMENT. INVESTOR: VALLEY NATIONAL BANK CORPORATION.

NEARLY 300 FORMERLY HOMELESS INDIVIDUALS SERVED

The HFCC project involved the development of a 17.3 acre campus to house people experiencing chronic homelessness and provide extensive wrap-around services and workforce development training. HFCC will contain 100 tiny homes, 80 apartments divided into four buildings, and 24 RVs. HFCC will formally serve homeless individuals 50 years of age+, among the most challenging populations to serve, with on-site mental health care, addiction services, other primary medical and dental care, and meals.



Tiny House Cluster

Towne Twin Village
Housing First Community Coalition

Survey of 2022 NMTC Projects

EDUCATION AND TRAINING

In 2022, NMTC projects included 138 components expanding access to vocational training or supporting early childhood education, K-12, community college, and university equipment and facilities.

SHASTA COMMUNITY COLLEGE'S COMMUNITY LEADERSHIP CENTER

Redding, CA

CDES: PNC COMMUNITY PARTNERS; CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION; URBAN ACTION COMMUNITY DEVELOPMENT LLC. INVESTOR: PNC.

29,900 ADDITIONAL STUDENTS SERVED

NMTC financing supported the acquisition and construction of a four-floor commercial building to be leased to Shasta College to operate a Community Leadership Center to provide workforce development, job training, and classroom space. As a result, the number of students and program participants is projected to increase from 65,100 to 95,000 annually.



GIRLS, INC.

San Antonio, TX

CDES: CHASE NEW MARKETS CORPORATION, TEXAS MEZZANINE FUND. INVESTOR: CHASE

UP TO 6,000 GIRLS SERVED ANNUALLY

NMTC financing from Chase and Texas Mezzanine Fund helped Girls, Inc. construct and equip a new headquarters for their youth activity campus, providing a safe space for San Antonio's women of color. The facility will house an innovation Lab, Teaching Kitchen, BiblioTech Nina (a digital library providing community access to technology and literary resources), and an EmpowerHer Zone teen center.



THE SKILLS CENTER

Tampa, FL

CDES: BLACK BUSINESS INVESTMENT FUND, REINVESTMENT FUND. INVESTOR: EDWARDS LIFESCIENCES VIA LISC'S PROPEL FUND.

3,500 YOUTH SERVED ANNUALLY

NMTC financing enabled the Skills Center, a Tampa-based, Black-led youth athletic nonprofit, to create a five-acre campus. The property is in the predominantly African American part of the Tampa metro area in a relatively high poverty concentration area and lies vacant. The 35,000 sq. ft. former skating rink and office building will be fully renovated. It will house a collective of other local Black-led nonprofits alongside the Skills Center's sports-oriented after-school programs.



“

"This is an extraordinary moment for One City Schools, for the Greater Madison community, and for Wisconsin. As a city and state that has maintained the largest school achievement gap in the country between Black and White students for at least two decades, [the NMTC project] gives us the opportunity to continue with our mission to seed a new model of public education that ensures young children are on track to succeed in a college or career preparatory program from birth through high school graduation."

-One City Schools Founder and CEO, Kaleem Caire, Madison, WI. Financed by IFF, Old National CDE Corporation, Forward Community Investments



Image: TCA Architects.

VERMONT & MANCHESTER

Los Angeles, CA

CDES: GENESIS LA, LOS ANGELES DEVELOPMENT FUND, CHASE, TELACU. INVESTOR: CHASE.

194 PEOPLE SERVED THROUGH WORKFORCE DEVELOPMENT PROGRAMS & 400 SCHOOL CHILDREN SERVED

Located at the Northeast corner of Vermont and Manchester in South Central Los Angeles, Evermont (Vermont & Manchester) is a transformational, 160,000 sq. ft., mixed-use development. The project directly addresses more than three decades of chronic underinvestment in this severely distressed, low-income community, which was the epicenter of the 1992 civil disturbances. Evermont will provide 180 affordable housing units for seniors/families/youth, a full-service grocery, restaurants, retail stores, a SEED residential charter school, a small business incubator, a transit plaza, and an L.A. County MTA job training facility.

MAGNET: THE MANUFACTURING ADVOCACY AND GROWTH NETWORK

Cleveland, OH

CDES: PHASE I CLOSING (JULY 2022): CLEVELAND NEW MARKETS INVESTMENT FUND AND PNC. PHASE 2 CLOSING (FEB. 2023): CDE: URBAN RESEARCH PARTNERS. INVESTOR: PNC

4,800 K-12 STUDENTS SERVED ANNUALLY, 2,000 ADDITIONAL WORKFORCE DEVELOPMENT PARTICIPANTS, AND 50 ADDITIONAL APPRENTICESHIPS

MAGNET involved rehabilitating a former 57,000 sq. ft. public elementary school building into MAGNET's training and production facility. MAGNET oversees manufacturing innovation, growth, and workforce development by providing direct services to small and medium-sized manufacturers. In addition, as part of the federal Manufacturing Extension Partnership Program, MAGNET assists youth, job seekers, and incumbent workers with training, apprenticeships, and other workforce services.



Survey of 2022 NMTC Projects

SUPPORTING UNDERSERVED POPULATIONS

In 2022, CDEs and investors continued to deploy NMTC allocation to minority-led businesses and nonprofits.

CDEs and NMTC investors continued to target allocation to Historically Black College and Universities, minority-led organizations, developers, and contractors. In low-income, majority-minority communities, CDEs often target job creation to existing residents.

SUPPORTING BIPOC ENTREPRENEURS: DURNER BUILDING / MORTAR

Cincinnati, OH

CDE: NATIONAL DEVELOPMENT COUNCIL. INVESTOR: FIFTH THIRD BANK.

NMTC financing supported the renovation of the historic Durner Building to be used as the new and expanded headquarters for MORTAR, a minority-controlled nonprofit providing services to BIPOC entrepreneurs. MORTAR focuses on enabling historically marginalized entrepreneurs to access the resources to start and run successful businesses. Its services include entrepreneurship training, coaching, and accelerator programming.



HISTORICALLY BLACK COLLEGE AND UNIVERSITY: OAKWOOD UNIVERSITY

Huntsville, AL

CDES: GULF COAST HOUSING PARTNERSHIP; HOPE ENTERPRISE CORPORATION, PATHWAY LENDING CDE
INVESTOR: TRUIST COMMUNITY CAPITAL

As a Historically Black College and University, Oakwood University educates over 1,400 predominantly African American students annually, with 64% from economically-disadvantaged families. In 1995, Oakwood launched its Healthy Campus 2020® program to reverse poor health outcomes and preventable diseases among Oakwood students. With the success of this program, Oakwood is expanding its mission to battle the health, food, and job insecurity faced by the minority low-income residents of Northwest Alabama. This multi-service initiative, Healthy Campus, Healthy Community®, will:

1. Tackle medical and food inequities at the newly constructed Community Health Action Center,
2. Increase space by 51% for fresh local produce and other goods at the Oakwood Fresh Food Market, and
3. Renovate and expand Peters Music Hall to provide a vibrant and high-level arts program to Oakwood students and the Huntsville community's low-income residents.



MINORITY-OWNED BUSINESS: MOMENI, INC.

Adairsville, GA

CDs: RURAL DEVELOPMENT PARTNERS, DV COMMUNITY INVESTMENT. INVESTOR: VALLEY NATIONAL BANK

Momeni, Inc. is a minority-owned business and leading manufacturer and importer of rugs, carpets, and home décor. Momeni used NMTC financing to develop a warehouse and distribution facility in a severely distressed rural community. The facility will serve as a centralized import center and distribution hub when complete. Additionally, the project provides skills training through a local workforce development provider or technical school. Momeni has a long history of employing those faced with barriers to employment. People of color make up about 90 percent of the current labor force. Momeni is committed to hiring at least 65 percent of its labor force from the minority residents living in the surrounding low-income community.



MAJORITY MINORITY-COMMUNITY: ACADEMY FOR GLOBAL CITIZENSHIP

Chicago, IL Census Tract with 98.3 percent minority residents

CDs: ROSE URBAN GREEN FUND, BMO HARRIS, DV COMMUNITY INVESTMENT, IFF, NATIONAL DEVELOPMENT COUNCIL. INVESTOR: U.S. BANCORP COMMUNITY DEVELOPMENT CORPORATION

The Academy for Global Citizenship (“AGC”), a public charter school providing a dual-language International Baccalaureate education to low-income students, used NMTC financing to transform a 6.2-acre brownfield site into a highly innovative and sustainable community campus that includes: a K-8 and early childhood education facility, a learning farm (financed separately), a school-based Federally Qualified Health Center (FQHC), a community produce market, a gym, a cafeteria, and a kitchen. The campus will also include an on-site daycare for teachers and staff.

AGC will make concerted efforts to recruit, train and hire at least ten Chicago Housing Authority residents for available construction positions. Approximately seven FTE apprentice positions will also be created. The project team is working with HIRE360 and the Greater Southwest Development Corporation to generate interest among local residents in workforce training opportunities. The project's FQHC, Esperanza, partners on medical externships with a local nonprofit, Latinos Progresando, and on a Medical Assistant training program with the National Latino Education Institute.

TARGETING JOBS AND CONTRACTORS: MLK GATEWAY PHASE II

Historic Anacostia, DC

CDs: PHASE II - URBAN ACTION COMMUNITY DEVELOPMENT, CAPITAL IMPACT PARTNERS. INVESTOR: CHASE

Generations of redlining, systemic disinvestment, and crumbling infrastructure have impacted DC's Ward 8. As a result, its primary neighborhood and historic African American enclave, Anacostia, faces a significant gap in access to quality jobs, educational resources, and desired amenities. To address the wealth gap in Ward 8, MLK Gateway was envisioned as “the new epicenter of commerce, culture, and technology with a vibrant mix of neighborhood-serving retail.” Phase 2 involves the new construction of a 66,753 sq. ft. building with ground floor retail and office space for community service organizations, including a workforce development academy to train aspiring real estate entrepreneurs.

To ensure the project uplifts existing residents, the developer will hire subcontractors from the largely African American Wards 7 and 8, and each subcontractor is required to hire at least one laborer from Ward 8. In addition, the developer and the general contractor plan to award at least 20 percent of construction subcontracts to minority-owned businesses and 5 percent to women-owned businesses.

Survey of 2022 NMTC Projects

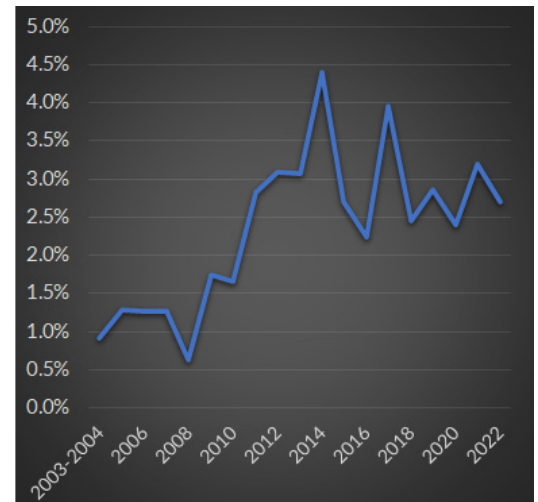
SUPPORTING INDIGENOUS PEOPLE

2022 FEATURED 8 PROJECTS IN INDIAN COUNTRY.

Native Americans - both on and off designated lands - face many social challenges, including limited access to quality education and healthcare, high rates of poverty and unemployment, degradation of natural resources, and inadequate housing and infrastructure. NMTC projects can help address these challenges.

Historically, only about 1.5% of NMTC projects supported Indian Country. There is a strong interest amongst Tribes, NMTC practitioners, and policymakers in boosting the volume of NMTC investment benefiting Indigenous populations, and while some progress has been made, there is more to do. The CDFI Fund is undertaking an NMTC Native Initiative to boost Tribal participation in the program.

PERCENTAGE OF PROJECTS SUPPORTING INDIGENOUS PEOPLE



TACKLING ADDICTION: THE TURTLE MOUNTAIN RECOVERY CENTER

Belcourt, ND

CDES: BREMER CDE, MIDWEST MINNESOTA CDC. INVESTOR: BREMER BANK

The Recovery Center will be a culturally responsive drug and alcohol addiction healing center, honoring health and tradition, which will support members of the Turtle Mountain Tribe. The center will serve the region by providing individual and family-focused inpatient treatment and aftercare services, including life skills, workforce development, cultural teachings, and a sober living network designed to support a sober community in the Turtle Mountain Tribe. In addition, the center includes housing units to support longer-term recovery and ancillary and culturally appropriate activities, including sweat lodges, an equine center, a ropes course, and a nature trail on the 100 acres near the center.



UNICOM, DEERING, AND KIVALINA BROADBAND EXPANSION

Deering, Kivalina, Unicom, AK

CDE: LISC. INVESTOR: U.S. BANCORP COMMUNITY DEVELOPMENT CORPORATION

In 2022, another tranche of NMTC financing supported the TERRA Project, an initiative by Alaska's GCI. This project phase will provide high-speed telecommunications services to homes, educational institutions, and healthcare providers in Deering, Kivalina, and Unicom, AK. This critical infrastructure supports healing and learning in rural, primarily Indigenous communities throughout Alaska.



SUPPORTING INDIGINOUS CULTURE: MINNEAPOLIS AMERICAN INDIAN CENTER

Minneapolis, MN

CDES: MIDWEST MINNESOTA CDC, OLD NATIONAL CDE CORPORATION, SB NEW MARKETS CDE, LLC.
INVESTOR: OLD NATIONAL BANK



NMTC financing supported the renovation and expansion of the Minneapolis American Indian Center (MAIC), a nonprofit community center in the heart of the American Indian community of Minneapolis providing comprehensive programs and services for Native American children, youth, adults, elders, and families. As one of the first urban American Indian Centers in the country, MAIC was founded in 1975 to provide services otherwise unavailable for urban American Indians. They serve a large and tribally diverse urban American Indian population, over 35,000 in the eleven-county Minneapolis/St. Paul metropolitan area.

MAIC programs include social services and advocacy for children, youth, and families; comprehensive youth development programming; elder's services; employment training and job placement services; and health promotion through physical activity and nutrition education. MAIC hosts Pow- wows, feasts, community forums, health fairs, sports events, and tribal voting, and more than 10,000 people visit annually. Their programs promote the goals of self-determination, dignity, equity, sustainability, and preserving and sharing cultural traditions.

TRIBAL-OWNED BUSINESS: SOVEREIGN PIPE

Shawnee, OK

CDES: WELLS FARGO (SUB), HEARTLAND RENNAISSANCE FUND. INVESTOR: WELLS FARGO

NMTC financing supported the purchase of new equipment for Sovereign Pipe, owned and operated by the Citizen Potawatomi Nation (CPN), a federally recognized tribe. The startup business will manufacture pipe products for the oil and gas industry. The project will be the first tenant in the Iron Horse Industrial Park (also owned by the CPN). The facility will produce 80 to 90 million pounds at full production and create 40 new jobs.

INDIGENOUS-OWNED BUSINESS: PIZZA RANCH

Bemidji, MN

CDES: TRAVOIS NEW MARKETS (USBCDE PROVIDED INITIAL INVESTMENT INTO TRAVOIS). INVESTOR: CHATEAU, LLC, NEW YORK LIFE INSURANCE COMPANY, NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION

NMTC financing supported an 8,300 sq. ft. family-friendly pizza restaurant and arcade that is 100% Indigenous-owned. The Pizza Ranch location, which will host fundraisers for nonprofits, also includes a Funzone Arcade.



Survey of 2022 NMTC Projects

HONORING OUR VETERANS

Many NMTC investments supported America's veterans in 2022.

While the NMTC program itself does not specifically target U.S. veterans, they can benefit directly or indirectly from NMTC projects in several ways:

Job Creation Targeting Veterans:

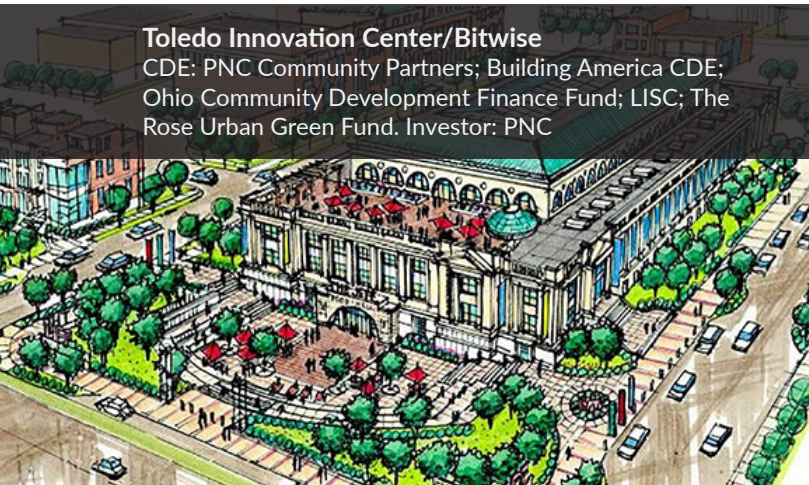
NMTC projects generate employment opportunities in economically distressed areas. Quite often, jobs are set-aside or targeted to veterans. One example is the Neogen Food Safety Diagnostic Facility project. Neogen has committed to the proactive hiring of disadvantaged populations, including veterans, at its food safety and diagnostic facility in Lansing, MI.



Training and Skill Development: Some NMTC projects prioritize workforce training and skill development programs for veterans. These initiatives can provide veterans with opportunities to enhance or acquire new skills, making them more competitive in the job market. For example, at the NMTC-financed Toledo Innovation Center, Bitwise Enterprises, the project sponsor, plans to provide job training to low-income residents by recruiting veterans and other people from low-income and underserved backgrounds. In addition, the Pittsburgh Glass Center, a nonprofit, public-access education center, art gallery, and glass studio, will provide scholarships for veterans for training and apprenticeship in the art of glassmaking.

Toledo Innovation Center/Bitwise

CDE: PNC Community Partners; Building America CDE; Ohio Community Development Finance Fund; LISC; The Rose Urban Green Fund. Investor: PNC



The Pittsburgh Glass Center

CDE: Building America CDE, MBS Urban Initiatives.
Investor: U.S. Bancorp Community Development Corporation.



venue Facade

Survey of 2022 NMTC Projects

Support for Veteran-Owned Small Businesses: NMTC projects (and NMTC-capitalized loan funds) often target support for veteran-owned small businesses. This includes the prioritization of veteran-owned businesses in construction contracting and development activities. For example, Regional One Health, a Memphis-based nonprofit safety net health system, prioritized minority-, women-, and veteran-owned suppliers and service providers while constructing its new, modernized facility. Other examples include small business loan funds targeting veteran-owned businesses and business incubators providing technical assistance to veterans.

Access to Social Services: NMTC projects often aim to improve veterans' and their families' access to essential social services. For example, the Community Food Bank of Eastern Oklahoma offers a Veterans Food Program. With 110,000 military veterans living in the food bank's service area alone, many veterans and their families face food insecurity. NMTC financing supported the nonprofit's 50,000 sq. ft. expansion project, increasing the food bank's annual capacity from 20 million pounds to 52 million pounds of food.



Community Food Bank of Eastern Oklahoma

CDEs: Arkansas Capital Corporation, Hampton Roads Ventures, Capital One. Investor: Capital One.



Another example is National Veterans Wellness and Healing Center in Angel Fire, NM, which received NMTC financing in 2022. The nonprofit organization provides free week-long retreats for veterans and their spouses/partners suffering from Post-Traumatic Stress.

National Veterans Wellness and Healing Center

CDE: New Mexico Finance Authority. Investor: U.S. Bancorp Community Development Corporation.



Survey of 2022 NMTC Projects

TACKLING THE HOUSING CRISIS

In 2022, the NMTC supported projects creating 3,054 affordable housing units. NMTC projects financed in 2022 will provide emergency shelter or supportive housing to an additional 54,373 people.

HUNDRED NIGHTS EMERGENCY SHELTER & RESOURCE CENTER

Keene, NH

CDE: EVERNORTH RURAL VENTURES. INVESTOR: TD BANK.

Hundred Nights provides shelter and crisis-related services to those at risk of or experiencing homelessness. The NMTC financed the construction of a new 15,180 sq. ft., 48-bed emergency housing shelter, and resource center. The new facility will offer safer, more efficient, and more appropriate shelter and crisis-related services to individuals and families in the Monadnock region.



THE WELCOME HOUSE OF NORTHERN KENTUCKY

Covington, KY

CDES: CENTRAL STATES CDE, URBAN ACTION COMMUNITY DEVELOPMENT.
INVESTOR: U.S. BANCORP COMMUNITY DEVELOPMENT CORPORATION

The Welcome House, Inc., which serves eight counties in Northern Kentucky, has a 40-year track record of meeting the needs of people without housing and those living in poverty who are on the verge of homelessness. In 2020, the Welcome House served 2,777 persons, a 140 percent increase since 2017. As the regional

need for its services grew, its facilities needed improvement. Staff and resources were scattered among multiple locations, and clients often needed to go to three different sites to receive services.

The organization used NMTC financing to create a new 20,000 sq. ft. single-site delivery model that consolidates its three separate locations, expanding its scale and capacity. The facility is strategically designed to be flexible to meet the evolving needs of people experiencing homelessness in the decades to come. In addition to providing space for single women and children, it will also serve two-parent families and single fathers with children. It provides safe, transitional housing and wrap-around services for the unhoused so that they can achieve stability and thus employment to improve their quality of life.

LIGHT OF LIFE SUPPORT CORPORATION

Pittsburgh, PA

CDES: PNC COMMUNITY PARTNERS; PITTSBURGH URBAN INITIATIVES LLC.
INVESTOR: PNC.

NMTC financing supported the acquisition, renovation, and expansion of a former school building to create a new 56,185 sq. ft. homeless shelter with related services. The new site will provide the necessary space for sleeping and bathing spaces, training areas, computer labs, counseling offices, classrooms, dining areas, kitchens, a food pantry, and a donation center.



Survey of 2022 NMTC Projects

ARTS, CULTURE, TOURISM

Low-income communities often face limited access to arts and cultural attractions, as residents may lack the financial resources to attend performances, visit museums, or participate in cultural events. This disparity hampers their ability to engage with and benefit from the enriching experiences that arts and culture can provide. The NMTC helps communities add new culturally enriching facilities with low or no-cost programming set-aside for existing residents. In 2022, 37 new museums, arts programs, performing arts centers, theaters, and cultural attractions were financed by the NMTC.

Children's Museum of Eau Claire

Eau Claire, WI

CDE: FORWARD COMMUNITY INVESTMENTS. INVESTOR: CCFBANK.

NMTC financing helped the Children's Museum of Eau Claire (CMC) to construct a multi-use community facility that will house a state-of-the-art children's museum and additional space to provide quality early education opportunities for low-income youth in the Eau Claire area. Expansion of childcare services was made possible through a partnership with the Eau Claire Area School District's Eau Claire 4 Tomorrow program. The Family Resource Center will provide additional family support in the new facility. The goals for this project are to develop a welcoming space that will continue to serve Black, Brown, Indigenous, LGBTQ, low to moderate-income, and all children and families in Eau Claire and surrounding rural areas; provide wrap-around services that fully engage families and provide supportive services and resources to parents; and serve as an anchor in the revitalization of Eau Claire's central downtown area.



Say Si Phase 1

San Antonio, TX

CDES: ACCION OPPORTUNITY FUND, PNC COMMUNITY PARTNERS. INVESTOR: PNC.

Phase 1 of this two-phase project involves the renovation of 20,000 sq. ft. of an existing 100,000 sq. ft. warehouse for use as nonprofit headquarters and programming space. Say Si provides after-school arts and media education to low-income youth. When complete, Say Si's capacity will be doubled for tuition-free after-school programs, and participation in community programming will be tripled. In addition, Say Si will be able to develop and support new programming, strengthen partnerships with other community organizations, and offer event space for lease to bolster its revenue streams.



Survey of 2022 NMTC Projects

COMMUNITY CHARACTERISTICS

30.5 percent of projects and 21.8 percent of project financing was in non-metropolitan counties.

CHARACTERISTICS OF COMMUNITIES RECEIVING INVESTMENTS

The NMTC targets about 40 percent of the nation's census tracts that meet the statutory requirements for economic distress. However, most NMTC financing goes to a smaller subset of severely distressed communities that far exceed program requirements for poverty and income. For example, in 2022, 83.1 percent of projects were in communities with poverty rates above 30 percent, median incomes below 60 percent of the area median income, or unemployment rates 1.5 times the national average.

RURAL TARGETING

The NMTC statute - as amended in 2004 - requires that the CDFI Fund ensure that a proportional share of NMTC projects are located in non-metropolitan counties.

In 2022, 21.8 percent of NMTC financing dollars and 30.5 percent of NMTC projects were located in non-metropolitan counties.



Non-Metro Example: Van Wert Forward, a project to rehabilitate several buildings in Van Wert, OH. CDEs: LISC, Finance Fund.

Metro Example: Ferguson Computers received NMTC financing from Wesbanco to purchase a property in Shepherdsville, Kentucky, part of the Louisville/Jefferson County Metropolitan Area. The company provides small businesses with computer repair, IT support, and digital marketing, including website design/development, search engine optimization, and website support and maintenance. Ferguson had previously rented space in the building, but the purchase will enable the company to utilize the entirety of the building for growth, including the addition of employees.



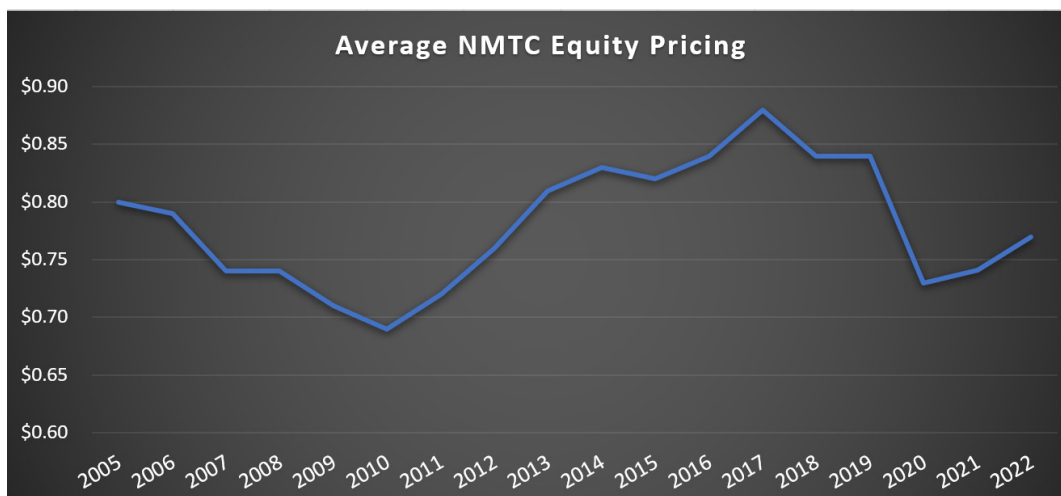
Survey of 2022 NMTC Projects

INVESTOR TRENDS

EQUITY PRICING

NMTC equity pricing is the price an investor is willing to pay for a dollar of tax credits. This price can vary based on factors such as market conditions, the asset class of an NMTC project, the perceived risk of the investment, and the demand for tax credits.

NMTC equity pricing increased over the course of 2022. The median price reported was \$0.77 (up from \$0.73 in 2021), and pricing ranged from \$0.65 to \$1.00 (up from \$0.50 to \$0.93 in 2021).



About half of the respondents noted that pricing steadily increased over the course of 2022, and several pointed to continued increases early in 2023.

Survey respondents reported 30 unique equity investors in 2022. Most NMTC equity investments (84.5 percent) came from large banks with over \$100 billion in assets. Regional banks with under \$100 billion in assets provided 10.3 percent of NMTC equity. The balance came from insurance companies (3.54 percent) and other corporations (1.69 percent).



[In 2022, pricing averaged] \$0.76, but for deals closing in 2023, we are paying over \$0.80.

-Survey respondent

Survey of 2022 NMTC Projects

OTHER 2022 TRENDS

STRUCTURES

The vast majority of NMTC financing (94.1 percent of project financing and 69.9 percent of projects) flowed through the A/B leverage structure.

While our data on leverage lending sources was incomplete, of the 132 projects reporting a leverage lender, 41 (26.5 percent) received source debt from CDFIs. This conforms with anecdotal reporting of a recent trend of CDFIs providing debt to NMTC transactions. As one respondent put it:

"We are seeing an increased need for CDFI leverage debt, specifically source debt. Some banks have decreased their leverage source lending."

In addition, quite a few survey respondents reported that the recent increase in interest rates boosted the amount of "soft money" (grants and government subsidies) needed for NMTC transactions.

Survey respondent: *"Higher interest rates meant lower amounts of source debt, which created opportunities for soft money in the capital stack."*

Many survey respondents also reported no change in transaction structures or sources of leverage debt.

Survey respondent: *"Leverage debt for the types of projects financed by our CDE continues to come primarily from sponsor equity or fundraising. No new trends have been identified."*

INFLATION AND INTEREST RATE INCREASES

Survey respondents were asked to describe how inflation affected the projects they financed in 2022. While a few respondents reported no change in their project pipeline, others reported significant challenges.

Survey respondent: *"Inflation resulted in an increase in construction costs, coupled with a rising interest rate environment, it has required projects to think outside the box for financing solutions. As a result, developers have had to reduce scope and seek any and every financing incentive available to make a project work. More recently we have seen the timing for some transactions become uncertain. Some projects are delayed because of the increased difficulty in sourcing a loan, and others are rushing to finish so they can lock in a rate before additional increases."*

Survey respondent: *"Made the need for New Market subsidy more acute. Inflation in construction prices created more uncertainty and delays in project planning and execution."*

Survey of 2022 NMTC Projects

COMMUNITY BENEFIT AGREEMENTS

A Community Benefit Agreement (CBA) is a contract signed between a business and a community, stipulating the project's contributions to the community such as affordable housing, local hiring, or infrastructure improvements. Excluding small business financing, nearly all projects extended the benefits of the NMTC financing by including a CBA. This is an identical result to 2019 to 2021.

Most CBAs required the project sponsor to provide quality jobs and wages, to set aside a share of new jobs for existing community members, or to provide training and apprenticeship opportunities. Requirements to serve a set number of low-income individuals were also common.

EXAMPLES:

Historically underserved populations

- Many CBAs require businesses to support minority business enterprises (MBEs) through the construction contracting process. For example, one CBA stipulated that 27 percent of the project's development cost must go to Minority Business Enterprises.
- Another CBA for a small business retail accelerator targeted minority entrepreneurs.

Financial Assistance to Local Organizations

- One CBA required that the business set-aside \$200K in education funds to support employee career advancement and make a \$100K donation to a local nonprofit.
- Another asked a company to contribute \$35,000 to an employee training program.

CBA EXAMPLE: THE CROSSINGS AT BRICK CHURCH

East Orange, NJ

CDES: PNC; URBAN ACTION COMMUNITY DEVELOPMENT LLC; DV COMMUNITY INVESTMENT; COMMUNITY LOAN FUND OF NEW JERSEY; MID-CITY COMMUNITY CDE; REINVESTMENT FUND; ENTERPRISE COMMUNITY PARTNERS; LISC. INVESTOR: PNC. OTHER NMTC COALITION PROJECT PARTNERS: BLUEHUB CAPITAL; LOW-INCOME INVESTMENT FUND.

The project is an urban, mixed-use redevelopment anchored by a grocery store, 24,000 sq. ft. of retail space including 2,000 sq. ft. of minority and locally owned retail, an affordable women's clothing store, a Federally Qualified Health Center, public open space, and mixed-income residences.

The CBA (portion)

At least 50% of the direct jobs created and retained by the project will be provided to low-income persons or residents of a low-income community.

Brick Church will use a portion (amount to be determined in partnership with the city of East Orange) of the net NMTC proceeds to fund the creation of a workforce development program and operate local workforce development centers to help unemployed and underemployed local members of the low-income community prepare for an interview and provide basic job skills.

Through its leases with retail tenants, the project will require tenants first consider candidates sourced through the workforce development partnership for all open positions. Additionally, the funds will be used to provide ongoing support and skills training to help the candidates stay in their jobs and advance to higher-paying jobs.

At least 10% of the construction dollars will be awarded to an MBE, women-owned business, or a business owned by low-income persons.

2022 PROJECT: BUILD INCORPORATED

CHICAGO, IL

CDES: Chase New Markets Corporation, Chicago Development Fund, IFF, LISC

Investor: Chase

NMTC financing supported the acquisition and construction of a new campus for BUILD, a youth development organization. The organization steers young people away from gang involvement and toward thriving futures by meeting their immediate needs, supporting their pursuit of long-term goals, and breaking down systemic barriers to opportunity in communities on the West Side of Chicago.

Beyond providing young people with the resources needed to break down barriers and reach their potential, BUILD's campus supports the broader community by providing quality spaces for West Side residents to meet, eat, socialize, exercise, and contribute to the neighborhood's well-being. The new space allows BUILD to increase staff size by 30 percent, extend operating hours and enhance programming.



Coming Soon

2023 PIPELINE

Ribbon cuttings and projects financed in 2023 as this report goes to print.

It has already been a busy year for NMTC project closings (see below).

CROWN EQUIPMENT CORPORATION

- Kingston, NC
- **Project submitted by:** Rural Development Partners
- **Other partners:** Five Points Community Capital, U.S. Bancorp Community Development Corporation

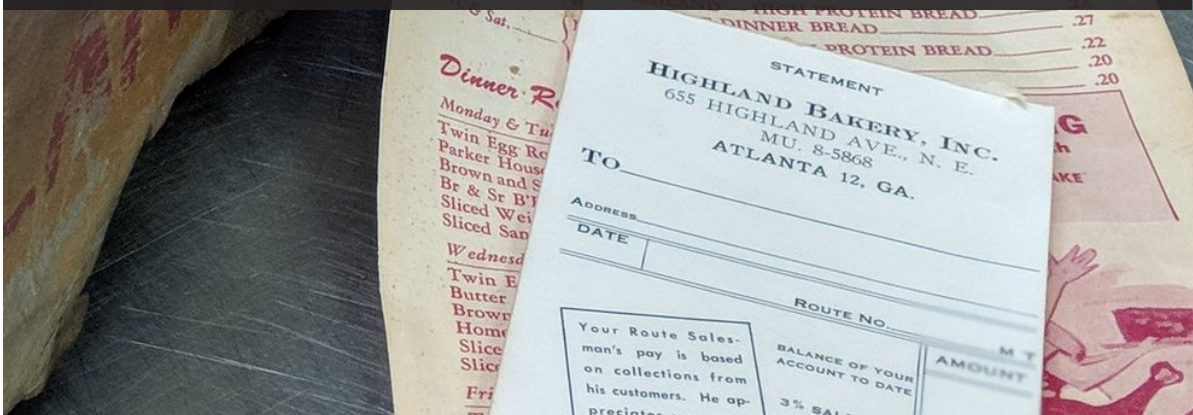
NMTC financing supported Crown Equipment's acquisition, modernization, and equipping of a shuttered 255,295 sq. ft. building adjacent to its current facility. Upgrades feature environmentally sustainable improvements and the ability to produce more than 75 percent recyclable lift trucks. Over the next five years, the company expects to expand its manufacturing services at this location to include painting capabilities.

HIGHLAND BAKING COMPANY

- Spartanburg, SC
- **Submitted by:** Urban Action Community Development and LISC

Highland Baking Company ("HBC") is a 2nd generation family-owned company that produces and distributes fresh and frozen bread products to food service operations (primarily fast-food and quick-serve companies) and food distributors throughout the United States. To address supply chain challenges along the country's East Coast and Southeastern regions, HBC opened a second plant in Spartanburg, SC, in 2012. The business environment and related consolidation in the baking industry require HBC to offer lower-quality bread categories for its customers to supplement its existing mid-tier offerings. Therefore, to meet customer demand and remain competitive, a third production line needed to be added to expand bread production for hamburger and hot dog buns. It is expected to double Spartanburg's long-term sales.

The project will create 95 full-time equivalent jobs over three shifts and will retain 183 positions, of which 93 percent will be accessible to low-income individuals possessing a high school diploma or less. In addition, all employees will have access to a suite of benefits including medical, dental, vision, and life insurance, a Flexible Spending Account, 401(k) retirement plan, profit sharing and an Employee Stock Ownership Program, and workforce development.





NMTC **CASE STUDY** **Wholestone Farms** **Fremont, Nebraska**

WHOLESTONE FARMS DELIVERS MASSIVE JOB CREATION IN
FREMONT, NEBRASKA

WHOLESTONE FARMS

Wholestone Farms Delivers Massive Job Creation in Fremont, Nebraska

Wholestone Farms is a farmer-owned, 200-member pork processing co-op facility in rural Fremont, Nebraska (population 27,000). Its vision is to create a unique and authentic pork supply chain. Its vertical integration ensures quality in every step of the process, from farm to kitchen.

Wholestone was founded in 2017. The company purchased a 119,000 sq. ft. pork processing plant in Fremont, Nebraska, to provide its farmer-owners with a "way of selling meat instead of selling hogs," as CEO Luke Minion described it to the Fremont Tribune in 2018.

Built in 1946, with few upgrades made since then, the existing facility could not keep up with product demand and was therefore forgoing business to competitors. As a result, Wholestone made significant capital investments toward the renovation of the plant, and by 2021, it employed nearly 1,400 workers.

Due to the COVID-19 pandemic and the ensuing inflationary macroeconomic environment, Wholestone has seen significant cost increases and supply chain constraints. Those rising costs severely impacted the co-op's planned Phase 2 expansion. The project faced a funding gap that put its viability in doubt.

NMTC financing from DV Community Investment (\$8 million), Greenline Community Ventures LLC (\$12 million), and

Stonehenge Capital Funding Company LLC (\$10 million) filled the project's financing gap. In addition, it helped the expansion move forward, allowing the co-op to update its outdated processing machines and cut floors, and it helped add modern robotic equipment.

The upgraded plant allows Wholestone to add a second shift (operating 16 hours a day) and create at least 800 additional permanent jobs in a community with an unemployment rate of 11.6 percent. In addition, the facility will increase its pig processing from 2.8 million pigs a year to 5.6 million.

Wholestone Farms will be "one of the most modern, efficient pork plants, not only in the U.S., but the world," said Minion.

Before the plant upgrades, Wholestone mostly sold its products to other pork



FINANCING

- NMTC allocation: NMTC financing from Greenline Community Ventures LLC (\$12 million), Stonehenge Capital Funding Company LLC (\$10 million), and DV Community Investment (\$8 million).
- NMTC equity investor: U.S. Bancorp Community Development Corporation.
- USDA Meat and Poultry Processing Expansion Program grant.

companies, including Hormel. However, starting in January of 2023, Wholestone produces products with "Wholestone Farms" on the retail label for the first time.

ACCESSIBLE, QUALITY JOB CREATION

Wholestone Farms recruits from various underserved groups and immigrant populations, including Omaha's large Burmese community. Wholestone works with local schools, community leaders, and healthcare facilities to help local workers overcome barriers to employment, including previous incarceration and limited language proficiency. The company will utilize local economic development groups such as the National Urban League, Goodwill Industries, Nebraska Works, and local job boards to find local workers. On average, 70 percent of employees have a high school diploma or lower level of education. Additionally, approximately 80 percent of employees have limited English language proficiency.

All jobs created will be quality jobs that are accessible to residents. All positions will include:

- Wages that exceed the Living Wage;
- Employer-sponsored health insurance;
- An employer-sponsored retirement plan that matches 100 percent of the first 5 percent an employee contributes;
- A discretionary contribution equal to 1 percent of compensation to all active employees with 1,000 hours of service within the year; and
- Access to training, career advancement, and advanced educational opportunities through local colleges.

IMPACT

Created over 800 jobs and retained nearly 1,400 jobs.

Created 300 construction jobs.

All jobs created will be quality and accessible jobs.

Community with an unemployment rate of 11.6 percent (1.4 times the national average).



EXTERIOR VIEW A

Wholestone Farms, Fremont NE • August 2, 2019

EDSTEIN

"This facility has been in this town for a very long time. And so there's a lot of people familiar with this work, familiar with this workforce, and now the facility is really all new and so it's a great place to work."

-Wholestone Farms CEO Luke Minion



NMTC CASE STUDY OUR HOUSE

Little Rock, AR

EXPANSION OF A HOMELESS SHELTER TO DOUBLE ITS
TRANSITIONAL HOUSING CAPACITY

OUR HOUSE

Expansion of a homeless shelter to double its transitional housing capacity

Little Rock-based Our House, a private nonprofit, was incorporated in September of 1987 following two years of study into the ever-growing problems of people experiencing homelessness in Central Arkansas. The study determined that the greatest need was finding shelter for families experiencing homelessness. Unfortunately, the two shelters in Little Rock offered only short-term stays for individuals, with no place for families to stay together and no assistance with long-term needs and planning.

Our House set out to fill this gap and to meet the needs of Central Arkansas's working homeless population. Our House empowers homeless and near-homeless families and individuals in Central Arkansas to succeed in the workforce, school, and life through hard work, wise decision-making, and active participation in the community. The organization offers comprehensive services to build a pathway out of homelessness on a seven-acre campus.

In 2005, Our House completed construction on an 80-bed emergency shelter at its southeast Little Rock site. The new facility consolidated its programs in one location, nearly doubled its residential capacity, and gave residents a more home-like environment.

Since its last expansion in 2005, demand for Our House's services has grown. For example, the waiting list for its childhood programming grew to over 200 children. As a result, the organization developed an

expansion plan to expand its services for families and individuals who are homeless in Central Arkansas and launched a capital campaign.

Heartland Renaissance Fund, an affiliate of Arkansas Capital Corporation, provided Our House with \$10 million in NMTC financing to grow its programming. The NMTC investment will result in a \$2 million net benefit for Our House in support of this expansion plan.

"Our House has seen total volume served increase by 83% in just two years, to more than 600 people per day served," said Ben Goodwin, executive director of Our House. "Our board and staff have worked together to develop a solid plan for expanding to meet this need, and the NMTC investment is playing a huge role in making our expansion plan a reality."

\$16 MILLION EXPANSION PLAN

Our House's 27,300 sq. ft., \$16 million expansion plan includes:

Fourteen new Family House units for 56 more residents: Additional Family House units will meet a growing need in our community to serve homeless families together. These-apartment style transitional units, with shared kitchens and living spaces, will provide the safety, structure, and support needed for many families to get back on their feet.

Family Support Center: A new 20,000 sq. ft. Family Support Center will be a hub

FINANCING

- NMTC allocation: \$10 million from Heartland Renaissance Fund
- NMTC equity investor: First Horizon Bank



for supportive services. In one location, every family member - adults and children - will have coordinated access to case management, education and training, counseling, and primary care to address every barrier to exiting homelessness. The new support center includes:

- A 5,800 sq. ft. expansion for its Little Learners Child Development program to serve 60 more kids;
- A 4,500 sq. ft. expansion for its Our Club youth program, an out-of-school time program for homeless and near-homeless youth in K-12 grade;
- 4,200 sq. ft. of dedicated space for health services; and
- A 4,800 sq. ft. expansion of its workforce training program space.

In all, the expansion will enable Our House to serve an additional 250 low-income adults and children daily and 1,000 annually.

The project, which would not have been possible without support from NMTC financing, will also create 43 permanent full-time jobs over the next few years.

"ACC is excited to be a financing partner supporting the mission of Our House," said Arkansas Capital Corporation CEO Sam Walls. "Our House is an important asset for the communities' efforts to address homelessness, as well as connecting formerly incarcerated people with the workforce and help them navigate the legal system."

First Horizon was the tax credit investor,

IMPACT

Created 43 new full time jobs over the next few years. Wages will be in excess of the MIT local living wage.

Expanded its mental health services by 50%.

Serve a minimum of 1,000 additional clients annually in a highly distressed census tract.

providing \$3,900,000 in tax credit equity.

"First Horizon is excited to be involved in the Our House transaction as it provides much-needed housing support for the homeless community in Central Arkansas. At First Horizon, we believe that our company is only as successful as the communities in which we operate, so it is imperative that we help strengthen our communities through strategic partnerships and investments," said David Shindler, executive vice president for First Horizon Bank.

The expanded facility is expected to open in the fall of 2023.



"The \$10 million tax credit allocation from Heartland Renaissance Fund will enable Our House to address the growing need for our services in Central Arkansas. Our House has seen total volume served increase by 83% in just two years, to more than 600 people per day served. Our board and staff have worked together to develop a solid plan for expanding to meet this need, and the NMTC investment is playing a huge role in making our expansion plan a reality."

-Ben Goodwin, Executive Director of Our House



NMTC CASE STUDY DC CENTRAL KITCHEN'S MICHAEL R. KLEIN CENTER FOR JOBS & JUSTICE Washington, DC

A NEW KITCHEN AND FOOD HUB EXPANDS THE REACH OF
HUNGER-FIGHTING SOCIAL ENTERPRISE.

MICHAEL R. KLEIN CENTER

A new kitchen and food hub expands the reach of hunger-fighting social enterprise.

The District of Columbia faces significant challenges with food insecurity. According to Feeding America, 68,900 people (including 17,890 children) lack consistent access to enough nutritious food to lead an active and healthy life. In addition, in neighborhoods where food is scarce, life expectancy is nearly two decades shorter than in more affluent areas.

DC Central Kitchen (“DCK”) is a pioneer of the social enterprise movement. The organization envisions a more just city where everyone can access healthy food, meaningful careers, and opportunities to achieve their full potential. Through the Culinary Job Training program (CJT), DCK creates opportunities for people with barriers to employment to learn new skills while furthering DCK’s healthy food mission to serve the community with staffing by program participants and volunteers.

DCK is vital in increasing access to healthy food in the District of Columbia through its Healthy School Food, Healthy Corners, and Community Meals programs.

Since the 1990s, DCK has operated out of the 9,000 sq. ft. basement of its Federal City Shelter, which has been inadequate to meet DCK’s current programming and desired growth. For example, the organization turned away job training applicants because classrooms were too

full and rejected contracts to serve meals to low-income students because of insufficient production space.

In late 2020, DCK leased 35,921 sq. ft. of former Coast Guard Headquarters at the mouth of the Anacostia River in the RiverPoint development in the Buzzard Point neighborhood of Southeast DC.

The organization then embarked on a \$35 million fundraising campaign to build out a new multi-purpose facility in the leased space. The new facility (named the Michael R. Klein Center for Jobs & Justice) includes:

- Class A office space with a long-term lease;
- A state-of-the-art preparatory kitchen;
- A new demonstration kitchen;
- DCK’s third social enterprise café;
- A teaching classroom;
- An educational media studio; and



FINANCING

- NMTC allocation: CAHEC New Markets (\$8M); Chase New Markets Corporation (\$2.5M); and The Reinvestment Fund (\$8M).
- NMTC equity investor: Chase
- Leadership Gifts: Michael R. Klein (\$10 million), The J. Willard and Alice S. Marriott Foundation, Government of the District of Columbia & DC Workforce Investment Council, Craig Newmark Philanthropies and craigstable, The Sheehy Family, Carol & Douglas Steenland, CoBank, The Harry and Jeanette Weinberg Foundation.

- Space for other entrepreneurial nonprofits.

FINANCING

The project received significant philanthropic and individual support, including \$10 million in seed funding from Michael R. Klein, founder and Chairman of the Board of the CoStar Group, Inc. In addition, three CDEs combined to provide \$18.5 million in NMTC financing. CAHEC New Markets and Reinvestment Fund both provided \$8 million, and Chase New Markets Corporation provided an additional \$2.5 million in its allocation. Chase also served as the NMTC equity investor for the transaction.

IMPACT

Create Quality Jobs and New Investment:

The project will create 50 new jobs and retain 176 full-time employees, all paying living wages and having extensive benefits.

More than 90% of DCCK's training participants self-identify as Black or African American. Over 90% of students enter their program with no income, 60% have histories of incarceration, and 25% have experienced recent bouts of homelessness.

The building is LEED certified and includes wellness spaces for staff and students to ensure DCCK meets their physical and mental needs throughout the workday. The Klein Center's light-filled, 36,000 sq. ft. space will allow for self-care sessions and group retreats, such as yoga classes, journaling workshops, and healthy cooking demonstrations.

IMPACT SUMMARY

Create 50 full-time employees and retain 176 full-time employees.

Expands its culinary training program for people with barriers to employment by 150%.

Doubles daily meals served by DCCK in the DC region from 1.2 million meals to 2.1 million meals annually.

Generate over \$200 million in annual financial impact for the community by 2025.



DCCK will also expand its volunteer network from 16,000 to 20,000 volunteers annually and generate over **\$200 million** in annual financial impact for the community by 2025.

Provide More Meals: DCCK provides meals to soup kitchens, shelters, and other community programs. The project will increase its capacity from 1.2 million meals to 2.1 million meals annually.

"I'm always telling people about DC Central Kitchen's Culinary Job Training program. I tell them, I've been through this and that, but this was the best decision I ever made. It got me back on my feet, and also gave me a trade...but the choice is yours. This is your key. Use it."

-Cora, DCCK Employee and Culinary Graduate

DC Central Kitchen provides food service for 19 DC schools by sourcing ingredients from more than 30 local family farms. Every meal is scratch-cooked according to recipes designed by an expert team of chefs and dietitians. The program provides meaningful, living-wage careers for at-risk adults who have completed the Culinary Job Training program.

Expand Culinary Job Training: DCCK's Culinary Job Training program has helped more than 2,000 men and women launch culinary careers. The program provides culinary arts education, career readiness training, and real-world internships for adults who have experienced barriers to employment and young adults ages 18-24 who are not in school or working. Trainees receive hands-on culinary training and career readiness training as they prepare to earn two valuable credentials, including the ServSafe Food Protection Manager Certification. This project will allow DCCK to expand its training program by 150% to 250 or more participants annually.

Learning by Doing: DCCK's third cafe opened in the lobby of the Klein Center. The Klein Center Cafe serves fresh coffee, delicious pastries, and light fare featuring locally-sourced ingredients. In addition, the cafe provides on-the-job training to youth and

adults facing barriers to employment. Culinary Job Training students can receive hands-on experience with hospitality service while interning at the café.

Fighting Food Waste: With increased cold storage at the Klein Center, DCCK can be more agile in recovering fresh, unprepared food items from various food donors across the region. Once food reaches the kitchen, LeanPath's waste tracker technology informs production methods, menu development, and recipe selection in the school and café operations. In addition, the Klein Center allows DCCK to broaden the number of staff receiving LeanPath training, increase composting efforts, and install one of the largest commercial food service bio-digesters in the world, which will cleanly and securely divert food scraps back into the water system instead of landfills.

Promoting Culinary Entrepreneurship: The new space is co-located with the acclaimed food justice social enterprise Dreaming Out Loud and its accelerator program for disadvantaged food entrepreneurs. A collaborative, Community Supported Agriculture program for DCCK staff will expand sales opportunities for Black and value-aligned farmers in their food hub network while helping staff and their families access fresh, healthy, local foods.



APPENDIX: 2022 PROJECT COMPONENTS

Component	Number
Manufacturing businesses	98
Healthcare programs and facilities	92
College or vocational training programs and facilities	75
Childcare and youth programs	52
Retail and grocery stores	51
Housing components	50
Arts programs, museums, and performance spaces	37
Shelters and community food	33
Commercial and community kitchens and gardens	31
Recreational components	26
Catering and restaurants	23
Miscellaneous nonprofit office space	22
Professional services and contractors	20
Business incubators and shared office space	17
Parking garages	14
K-12 schools	11
Community centers	10
Hotels and tourism	8
Clean energy components	5
Libraries	4
Loan fund capitalization	3
Other municipal facilities	2
Waste water management	1
Broadband expansions	1
Total	686

*An annual snapshot of the New
Markets Tax Credit Program*



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