

FCLF NMTC PROGRAM



▪ **\$217 million**

TOTAL NMTC ALLOCATION
FEDERAL + STATE

▪ **\$430 million**

TOTAL PROJECT COSTS

▪ **17 projects**

IN DISTRESSED CENSUS TRACTS

▪ **1.3 million**

SQUARE FEET OF FACILITIES

▪ **3,389 jobs**

CREATED OR RETAINED



The New Markets Tax Credit (NMTC) Program was created in 2000 by Congress to encourage the flow of private investments into very low-income communities. Between 2003 and 2014, investment in NMTC financed businesses totaled over \$75 billion, and those businesses directly generated 750,000 jobs nationwide.

FCLF continues to be the only Florida-based NMTC recipient with a significant track record in sourcing and closing NMTC transactions. FCLF's NMTC Program is dedicated to improving low-income communities through projects with broad social impact.

FCLF NMTC SUCCESS STORY

CENTRAL FLORIDA HEALTH CARE

Central Florida Health Care is a FQHC, or Federally Qualified Health Center, providing services to 30,000+ annually, primarily to migrant workers and low-income individuals, in rural Florida. CFHC provides a wide range of services, including pediatric, OB/GYN, dental, and more, regardless of the patient's ability to pay.

Financing through the NMTC Program allowed Central Florida Health Care to renovate and expand 2 existing sites and expand into 2 new locations, spanning 2 counties and 3 cities and reaching 5,000 additional patients annually. Without NMTC it would have been



years before CFHC could undertake an expansion of this magnitude.

FCLF provided \$8.5 million in Federal NMTC and \$6.4 million in Florida NMTC for the transaction. The investor is U.S. Bancorp Community Development Corporation. Whitney/Hancock Bank is a lender on the project.

www.cfhconline.org

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\$8.5 MILLION
TOTAL PROJECT

\$8.5 MILLION FCLF
NMTC FEDERAL +
\$6.4 MILLION FCLF
STATE NMTC

4 FACILITIES,
48,000 SQ FT



Florida Community Loan Fund NMTC PROJECTS

COMMUNITY FACILITIES & HEALTHCARE CENTERS

From providing medical care for the homeless, to day care for the aging and help for domestic violence victims, community facilities offer a wide array of uses for the NMTC program.

**CENTRAL FLORIDA HEALTH CARE,
POLK & HIGHLANDS COUNTIES**
healthcare for low-income residents
\$8.5 MILLION PROJECT (4 locations)
\$8.5 MILLION FCLF NMTC ALLOCATION
\$6.4 MILLION FCLF STATE ALLOCATION



CASA, ST. PETERSBURG
domestic violence shelter & services
\$12 MILLION PROJECT
\$12 MILLION FCLF NMTC ALLOCATION
\$4.8 MILLION FCLF STATE ALLOCATION

CAMILLUS HOUSE, MIAMI
human services, homeless & at-risk
\$37.4 MILLION PROJECT
\$20 MILLION FCLF NMTC ALLOCATION



**METROPOLITAN MINISTRIES,
TAMPA & PASCO COUNTY**
transitional housing & homeless services
\$36 MILLION IN 2 PROJECTS
\$21 MILLION FCLF NMTC ALLOCATION

NEW MANCHESTER FLATS II, RICHMOND VA
daily care & programs for senior citizens
\$7.5 MILLION PROJECT
\$1 MILLION FCLF NMTC ALLOCATION



FOOD ACCESS

Expanding into food access financing is a focus of FCLF's strategic plan. USDA designation as a food desert is one qualifier for NMTC projects.



HITCHCOCK'S MARKET, OLD TOWN FL
grocery store in USDA food desert
\$7.3 MILLION PROJECT
\$2 MILLION FCLF NMTC ALLOCATION



EDUCATION & YOUTH FACILITIES

The NMTC program can help schools and other organizations that serve low-income students and underserved communities to expand and offer an emphasis on learning and preparing for college or career.



CADE MUSEUM, GAINESVILLE
 youth outreach & education
 \$10.3 MILLION PROJECT
 \$10 MILLION FCLF NMTC ALLOCATION



KIPP SCHOOLS, JACKSONVILLE
 college preparatory charter school
 \$26.2 MILLION PROJECT
 \$15 MILLION FCLF NMTC ALLOCATION



ASPIRA OF FLORIDA SCHOOLS, MIAMI
 education & leadership, Latino youth
 \$17.2 MILLION IN 2 PROJECTS
 \$17.1 MILLION FCLF NMTC ALLOCATION

ECONOMIC DEVELOPMENT & JOBS CREATION

High-profile projects in urban areas serve as a catalyst for other economic development, often as part of a redevelopment plan, and create jobs in low-income census tracts.



WEXFORD SCIENCE + TECHNOLOGY, MIAMI
 biomedical research & business incubator
 \$116.8 MILLION PROJECT
 \$5.7 MILLION FCLF NMTC ALLOCATION



JESSIE BALL duPONT CENTER, JACKSONVILLE
 historic redevelopment & nonprofit incubator
 \$23.9 MILLION PROJECT
 \$10 MILLION FCLF NMTC ALLOCATION

FCLF NMTC FOCUS

- SIGNIFICANT ECONOMIC OR COMMUNITY IMPACT
- COMMUNITY FACILITIES & HEALTHCARE CENTERS
- GROCERY STORES IN FOOD DESERTS
- LEED- OR FGBC-CERTIFIED BUILDING



**“ FCLF IS A DIFFERENCE MAKER!
 THEIR TEAM PROVIDES SOLUTIONS
 TO BRING ABOUT REAL CHANGE IN
 A COMMUNITY. ”**

Tim Marks, President & CEO
 Metropolitan Ministries

NMTC PROGRAM GUIDELINES

Here is an overview of the Federal New Markets Tax Credit Program.

State of Florida New Markets Development Program Tax Credits are also available through Florida Community Loan Fund.



LOAN SIZE

- \$6 million minimum loan size

LOAN TYPES

- New or substantial rehabilitation of commercial projects

PROJECT METRICS

- NMTC qualified distressed census tract
- High impact and clear benefits to low-income populations and neighborhoods
- Construction jobs generated
- New permanent jobs generated
- Some financing commitments already in place

LOAN TERMS

- Most feature a 2-loan A/B structure: A is ~80-85% and B is ~15-20% of total loan capital
- At loan maturity, A is paid in full, B can be converted into equity for pennies on the dollar
- Loans are interest only with no prepayments allowed for 7 year term

NMTC ADVANTAGES

- Effective rates are typically below market rate.
- As a result of longer amortization or interest only payments and typically lower rates, monthly payments are lower than for similar conventional loans.
- B loan is often treated as up-front substitute for a portion of equity required by lenders, resulting in higher effective LTV ratios.
- Equity conversion feature of B loan means that most of up-front equity becomes true equity at end of 7-year term of NMTC structure.

NMTC CHALLENGES

- There is a balloon payment requirement at the end of 7 years. Project must underwrite for its ability to refinance at that time.
- Some inflexibility (e.g., project location restrictions, no prepayments, term is always 7 years, certain purposes not allowed, etc.).
- Program is very complicated and closings are time consuming; there is a notable learning curve for first-time capital providers and borrowers.
- High legal and accounting fees.
- Project must be ready to go.
- The creation of a new single purpose borrowing entity is generally required.
- In addition to loan guaranty, a borrower or guarantor also provides indemnification for tax credit recapture events.

EXPERTISE AND CAPITAL TO HELP YOUR PROJECT SUCCEED.

FLORIDA COMMUNITY LOAN FUND provides expertise and capital to make projects successful and help organizations improve lives and communities. We help build strong communities by providing financing and technical expertise for high-impact projects in low-income communities throughout Florida.

Read more success stories on our website, www.fclf.org.

HOUSING

AFFORDABLE ▪ SUPPORTIVE ▪ MULTIFAMILY PRESERVATION

COMMUNITY FACILITIES

HOMELESS & SPECIAL NEEDS ▪ EDUCATION AND YOUTH ▪ COMMUNITY HEALTH SERVICES

ECONOMIC DEVELOPMENT

COMMERCIAL & RETAIL ▪ NEW MARKETS TAX CREDIT ▪ FOOD ACCESS

