FLORIDA COMMUNITY LOAN FUND

NEW MARKETS TAX CREDIT PROGRAM

HIGH SOCIAL IMPACT AND ECONOMIC DEVELOPMENT IN LOW INCOME AREAS

FCLF NMTC PROGRAM

- **$282 million**
  TOTAL NMTC ALLOCATION FEDERAL + STATE
- **$470 million**
  TOTAL PROJECT COSTS
- **19 projects**
  IN DISTRESSED CENSUS TRACTS
- **1.5 million**
  SQUARE FEET OF FACILITIES
- **4,174 jobs**
  CREATED OR RETAINED

AT 12.31.2016

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 2015, investment in NMTC financed businesses totaled over $80 billion, and those businesses directly generated over 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 low-income individuals in rural Florida, with special outreach to agricultural workers. 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

$8.5 MILLION TOTAL PROJECT

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

4 FACILITIES, 48,000 SQ FT

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This institution is an equal opportunity provider.

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Florida Community Loan Fund NMTC PROJECTS

COMMUNITY FACILITIES

- HOMELESS FACILITIES
- COMMUNITY HEALTHCARE
- DOMESTIC VIOLENCE SHELTERS

From urban core facilities that provide help for homeless and domestic violence victims to non-metro areas where healthcare for low-income residents is a real concern, community facilities that place a priority on serving low-income clients or provide dedicated services to low-income or at-risk clients are a priority for FCLF's NMTC Program.

CAMILLUS HOUSE, MIAMI

- human services, homeless & at risk
- FQHC on site
- $37.4 MILLION PROJECT
- $20 MILLION FCLF NMTC

CASA, ST. PETERSBURG

- domestic violence shelter & services
- $12 MILLION PROJECT
- $12 MILLION FCLF NMTC
- $4.8 MILLION FCLF STATE NMTC

LOTUS VILLAGE, MIAMI

- domestic violence shelter & services
- $28 MILLION PROJECT
- $13.5 MILLION FCLF NMTC

METROPOLITAN MINISTRIES, TAMPA & PASCO COUNTY

- transitional housing & homeless services
- $36 MILLION IN 2 PROJECTS
- $21 MILLION FCLF NMTC

CENTRAL FLORIDA HEALTH CARE, POLK & HIGHLANDS COUNTIES

- healthcare for low-income residents
- $8.5 MILLION PROJECT (4 locations)
- $8.5 MILLION FCLF NMTC
- $6.4 MILLION FCLF STATE NMTC

NEW MANCHESTER FLATS II, RICHMOND VA

- daily care & programs for senior citizens
- $7.5 MILLION PROJECT
- $1 MILLION FCLF NMTC

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.

ASPIRA OF FLORIDA SCHOOLS, MIAMI

- education & leadership, Latino youth
- $17.2 MILLION IN 2 PROJECTS
- $17.1 MILLION FCLF NMTC

KIPP SCHOOLS, JACKSONVILLE

- college preparatory charter school
- $26.2 MILLION PROJECT
- $15 MILLION FCLF NMTC

CADE MUSEUM, GAINESVILLE

- youth outreach & education
- $11.7 MILLION PROJECT
- $10 MILLION FCLF NMTC

FLORIDA COMMUNITY LOAN FUND

COMMUNITY-BASED PROJECTS

- LOCALLY OWNED GROCERY STORES
- NONPROFIT BUSINESS INCUBATORS
- TECHNOLOGY HUBS

Community-based and community-oriented projects can bring new indirect or intangible services to a low-income community.

HITCHCOCK'S MARKET, OLD TOWN FL

- grocery store in USDA food desert
- $7.3 MILLION PROJECT
- $2 MILLION FCLF NMTC

JESSIE BALL duPONT CENTER, JACKSONVILLE

- historic redevelopment & nonprofit incubator
- $23.9 MILLION PROJECT
- $10 MILLION FCLF NMTC

SW FLORIDA REGIONAL TECHNOLOGY HUB, FORT MYERS

- historic redevelopment & nonprofit incubator
- $10 MILLION PROJECT
- $10 MILLION FCLF NMTC

HIGH IMPACT ECONOMIC DEVELOPMENT or MANUFACTURING

High-profile projects in urban areas serve as a catalyst for other economic development, often as part of a community redevelopment master 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

FCLF NMTC FOCUS

- **COMMUNITY FACILITIES:** HEALTHCARE, HOMELESS, DOMESTIC VIOLENCE, EDUCATION/YOUTH
- **COMMUNITY-BASED OR COMMUNITY-ORIENTED PROJECTS**
- **HIGH IMPACT ECONOMIC DEVELOPMENT OR MANUFACTURING PROJECTS**

"Thanks to NMTC, a struggling neighborhood will be transformed, and access to information, attainable housing, and economic development will be realized."

Sarah Owen, President & CEO
SW Florida Regional Tech Hub

NMTC PROGRAM GUIDELINES

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

NMTC ADVANTAGES

- Monthly payments are lower than for similar size conventional loans, as a result of interest-only payments.
- Effective rates are often below market for commercial loans of this type.
- The "B" loan is often treated as up-front substitute for a portion of equity required by lenders, resulting in higher LTVs.
- The equity conversion of the "B" loan means that most up-front equity becomes true equity at end of 7-year term.

NMTC CHALLENGES

- There is a balloon payment requirement at the end of 7 years; underwriting is for 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.
- Generally, a new single purpose borrowing entity is required in order to reduce the significant reporting requirements during loan term.
- 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 ▪
SINGLE AND MULTIFAMILY ▪ NEW AND PRESERVATION

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

ECONOMIC DEVELOPMENT
COMMERCIAL & RETAIL ▪
NEW MARKETS TAX CREDIT ▪ FOOD ACCESS