



capital for healthy
families & communities

NEW MARKETS TAX CREDITS

The New Markets Tax Credit (NMTC) Program was established in 2000 to spur private investment in distressed communities through the provision of tax incentives. To date, LIIF has received \$160 million in NMTC allocation authority, including its recent 2010 award of \$21 million. LIIF aims to use this allocation to support projects that bring economic development and essential services – including charter schools – to low income neighborhoods nationwide.

For example, LIIF allocated \$19 million in NMTCs to help leverage a \$6.5 million private investment for the benefit of North Star Academy in New Jersey. The transaction enabled North Star to develop two school campuses serving 450 students. North Star is a member of Uncommon Schools, a nonprofit organization that develops and manages urban public schools, with the goal of closing the achievement gap and preparing low-income students for college.

Purpose:	Mini-permanent financing for the construction or rehabilitation of community facilities. Project needs to be located in a qualified census tract
Type:	NMTC allocation and leveraged loan
Allocation Size:	\$5 – 20 million. For larger transactions, LIIF will look to partner with other CDEs
Loan Term:	7 years
Interest Rate:	Priced at affordable rates based on the transaction structure
Repayment:	Structured as interest-only or amortizing. No prepayment allowed.
Collateral:	Secured by the subject site. Guarantees may be required.
Loan-to-Value:	Product can deliver proceeds of up to 115% of the appraised value
Contact:	For more information on LIIF's NMTC program, please contact: <ul style="list-style-type: none">• Southern California: Cécile Chalifour, cchalifour@liifund.org• Northern California: Amy Laughlin, alaughlin@liifund.org• East Coast: Judi Kende, jkende@liifund.org