

LIIF Terms of Reference for Board and Standing Committees

New Markets Tax Credit Advisory Board

Revised: May 22, 2014

Internal Revenue Code §45(d)(c)(1)(B) provides that a qualified community development entity (a CDE) under the New Markets Tax Credit (NMTC) program administered by the CDFI Fund maintain accountability to residents of low income communities through their representation on any governing board of the entity or on any advisory board of the entity. The CDFI Fund requires that a CDE demonstrate that a minimum of 20 percent of either its governing board or advisory board is representative of the low income communities that such CDE has designated as its service area. A board member is considered to be a representative of a service area if he or she: (1) resides within a NMTC qualified census tract within the designated service area; (2) owns, controls or manages a business located in a NMTC qualified census tract with the designated service area that principally employs or provides goods and services to area low income community residents; (3) is an employee or board officer of a non-affiliated community-based or charitable organization providing more than 50 percent of its program activities and services to low income communities within the designated area; (4) is a religious leader whose congregation is located in a NMTC qualified census tract; (5) is an employee of a governmental agency or department that primarily serves low income communities, or whose job responsibilities primarily involve serving low income communities; is or works for an elected official whose constituency is comprised principally of, or are residents of, qualified NMTC census tracts.

As a certified CDE, the Low Income Investment Fund (LIIF) has established, for itself and each of its subsidiary CEDs, a New Markets Tax Credit Advisory Board (NMTC Advisory Board) in an effort to maintain accountability to the residents of low income communities and to garner valuable guidance in executing its NMTC program and activities.

The NMTC Advisory Board is appointed by the LIIF Board of Directors and shall be made up primarily (but not less than 50 percent) of members that are accountable to low income communities within the service area designated by LIIF. Priority will be placed on establishing a broad representation of voices and selecting members with a deep knowledge of the needs and conditions of low income communities or with a long-standing commitment to assisting in the revitalization of low income communities.

Recognizing that the LIIF Board of Directors is ultimately responsible to direct and manage the activities and affairs of the corporation, the NMTC Advisory Board will provide advice to LIIF in connection with its effort to bring the value of NMTCs to the low income communities it serves. The NMTC Advisory Board will assist LIIF through its review of NMTC activities, including investment proposals or decisions, and by providing advice on LIIF's participation in the NMTC program. The NMTC Advisory Board shall not have responsibility for individual investment decisions or other matters relating to the operations of LIIF beyond assisting with the maintenance of its accountability to residents of low income communities.

LIIF's NMTC Advisory Board shall also serve as the NMTC Advisory Board to each of LIIF's subsidiary CDEs, and shall serve the same role and operate in the same manner as described herein with respect to each such subsidiary CDE.

The NMTC Advisory Board shall have no less than three (3) and no more than nine (9) members. Members shall serve three-year terms, but should not serve more than six (6) years (or two terms) consecutively. The NMTC Advisory Board shall meet no less than two (2) times per year, but as often as needed in order to assist LIIF and its subsidiary CDEs in their NMTC activities.

Meetings of the NMTC Board may be held at any place which has been designated in the notice of the meeting or as otherwise designated by the LIIF Board of Directors. Notice of any meetings may be delivered personally, or by telephone (including a voice messaging system or other system or technology designed to record and communicate messages), facsimile, electronic mail, or other electronic means. Members of the NMTC Advisory Board may participate in a meeting through the use of conference telephone, videoconference, or similar communications equipment, so long as all members participating in the meeting can hear each other. The presence of three or more of the membership shall constitute a quorum at meetings. [A LIIF representative will be present at each meeting on behalf of LIIF and each of its subsidiary CDEs.]

The NMTC Advisory Board will evaluate its performance at least annually to determine whether it is functioning effectively. The Advisory Board will review and assess these Terms of Reference at least annually and recommend proposed changes, if any, to the LIIF Board of Directors for approval.