



capital for healthy
families & communities

NEW MARKETS TAX CREDITS

The New Markets Tax Credit (NMTC) Program was established to spur private investment in distressed communities. To date, LIIF has received \$458 million in NMTC allocation authority. 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">• Amy Laughlin, Director of New Markets Tax Credits, alaughlin@liifund.org or (415) 489-6159