

NEW MARKETS TAX CREDIT 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 FCLF.



NEW MARKETS TAX CREDIT PROGRAM

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 years.

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.

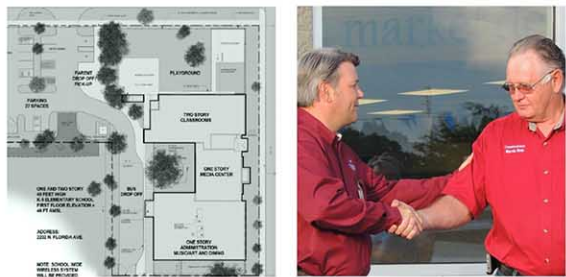
- There is a balloon payment requirement at the end of 7 years. Project must underwrite for its ability to refinance at that time.
- Some inflexibility (e.g., project location restrictions, no prepayments, term is always 7 years, certain purposes not allowed, etc.).
- Program is very complicated and closings are time consuming; and 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.

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 2012, investment in NMTC financed businesses totaled over \$60 billion, and those businesses directly generated 561,873 jobs nationwide.

FCLF has secured a total of \$151 million in NMTC allocation, and continues to be the only Florida-based 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.

FLORIDA COMMUNITY LOAN FUND NMTC Program

- ▶ \$151 MILLION TOTAL NMTC ALLOCATION
- ▶ 14 FCLF NMTC PROJECTS
- ▶ \$388 MILLION TOTAL PROJECT COST
- ▶ 1 MILLION SQUARE FEET OF FACILITIES
- ▶ 2,446 JOBS CREATED OR RETAINED



For additional information, please contact a member of our Lending Team.

Nelson Black
Chief Lending Officer
nblack@fclf.org
813.223.7400

Susan Holtrey
Loan Portfolio Manager
sholtrey@fclf.org
407.246.0846



FCLF NMTC SUCCESS STORY: CASA, ST. PETERSBURG

CASA – Community Action Stops Abuse – has, since 1977, provided refuge, crisis intervention, advocacy, professional training and community outreach for victims of domestic violence in the Tampa Bay area. CASA also offers transitional housing apartments, mental health and addiction counseling, legal assistance, youth education, and other services.

Using the NMTC program, CASA is building a new 45,000 square foot facility on a recently acquired non-performing bank owned parcel of land in Pinellas County. The new facility will triple CASA's current capacity from 30 to 100 beds, provide space for on-site daycare and counseling, and serve more than 1,000 clients annually.

The social impact of a project such as the new CASA facility is exponential. Domestic violence victims are often jobless, at risk of homelessness, and suffer from illness and injury which drives up healthcare costs. Providing shelter and counseling for the victims is beneficial not only for the individuals, but for the community as a whole as it increases productivity and lowers related costs. Children's services will also help to break the generational cycle of family violence.

www.casa-stpete.org

\$12 MILLION FCLF FEDERAL NMTC ALLOCATION	35 PERMANENT JOBS CREATED OR RETAINED
\$9.6 MILLION STATE NMTC: \$4.8 MILLION FCLF \$4.8 MILLION STONEHENGE CAPITAL	157 TEMPORARY JOBS CREATED THROUGH CONSTRUCTION
\$12 MILLION TOTAL PROJECT COST	INVESTOR U.S. BANCORP COMMUNITY DEVELOPMENT CORPORATION



501 N. MAGNOLIA AVENUE, SUITE 100 ▲ ORLANDO, FLORIDA 32801-1364
407.246.0846 ▲ 407.246.0856 (F) ▲ WWW.FCLF.ORG
JACKSONVILLE ▲ SARASOTA ▲ TAMPA ▲ FORT LAUDERDALE

Florida Community Loan Fund NMTC PROJECTS

COMMUNITY FACILITIES & HEALTH CARE 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.



Camillus House, Miami
human services, homeless & at-risk
\$37.4 million project
\$20 million FCLF NMTC Allocation



CASA, St. Petersburg
domestic violence shelter & services
\$12 million project
\$12 million FCLF NMTC Allocation
\$4.8 million FCLF State Allocation



New Manchester Flats II, Richmond VA
daily care & programs for senior citizens
\$7.5 million project
\$1 million FCLF NMTC Allocation



Metropolitan Ministries, Tampa
transitional housing & homeless services
\$19.3 million project
\$10 million FCLF NMTC Allocation



Metropolitan Ministries Phase II, Tampa & Pasco County
homeless services & programs
\$16.7 million project
\$11 million FCLF NMTC Allocation

FOOD ACCESS

Expanding into food access financing is a focus of FCLF's most recent 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

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



Haydon Burns Library, Jacksonville
redevelopment of historic building
\$23.7 million project
\$10 million FCLF NMTC Allocation

EDUCATION FACILITIES & CHARTER SCHOOLS

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



KIPP Schools, Jacksonville
college preparatory charter school
\$26.2 million project
\$15 million FCLF NMTC Allocation



ASPIRA North School, Miami
education & leadership, Latino youth
\$8.2 million project
\$8.3 million FCLF NMTC Allocation



ASPIRA EMH School, Miami
education & leadership, Latino youth
\$9 million project
\$8.9 million FCLF NMTC Allocation

GREEN PROJECTS

FCLF's NMTC Program is focused on projects that produce renewable energy or improved environmental outcomes while creating jobs in low-income communities.



Solar Sink, Tallahassee
manufacturing solar energy technology
\$16.6 million project
\$12.5 million FCLF NMTC Allocation



Lake Point Restoration, Martin County
public-private water treatment & storage
\$30.2 million project
\$16 million FCLF NMTC Allocation



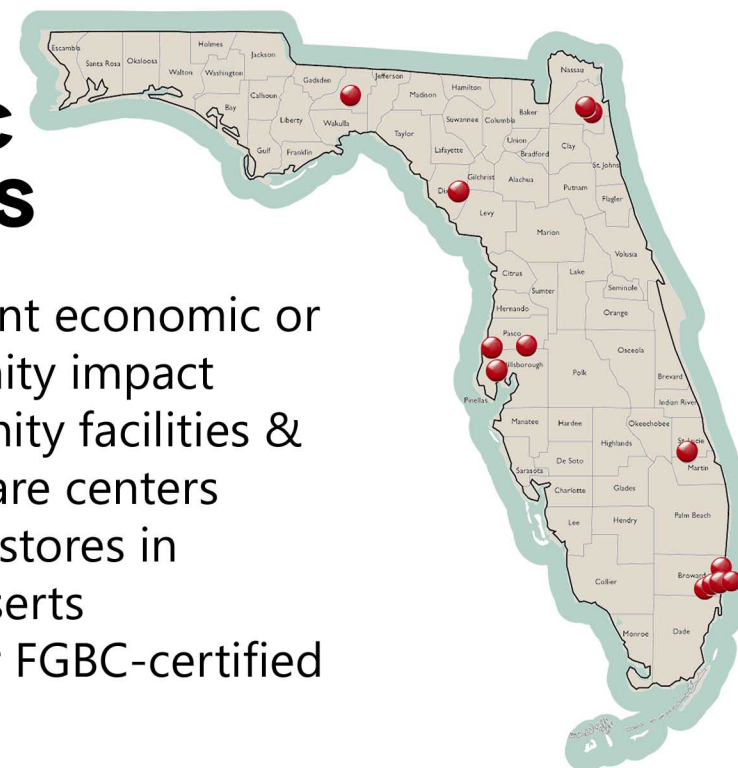
Quitman Torrefaction, Quitman MS
torrefied wood, coal-alternative fuel
\$50.3 million project
\$3.5 million FCLF NMTC Allocation



Green Biofuels, Miami
green fuel production facility
\$30.5 million project
\$9.1 million FCLF NMTC Allocation

FCLF NMTC FOCUS

- Significant economic or community impact
- Community facilities & health care 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

