



MEMORANDUM

TO: Redevelopment Authority
FROM: Kara Homan, AICP, Principal Planner *KH*
DATE: May 30, 2013
RE: **New Market Tax Credit CDE Opportunity**

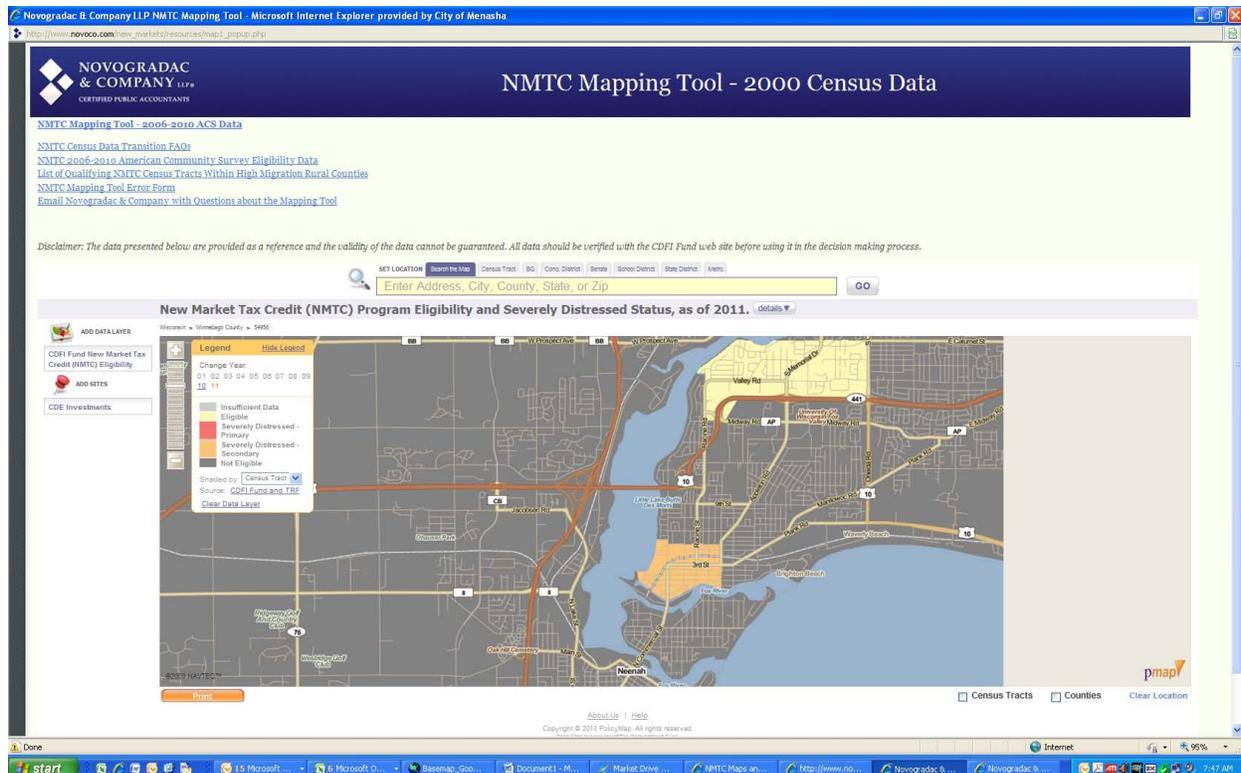
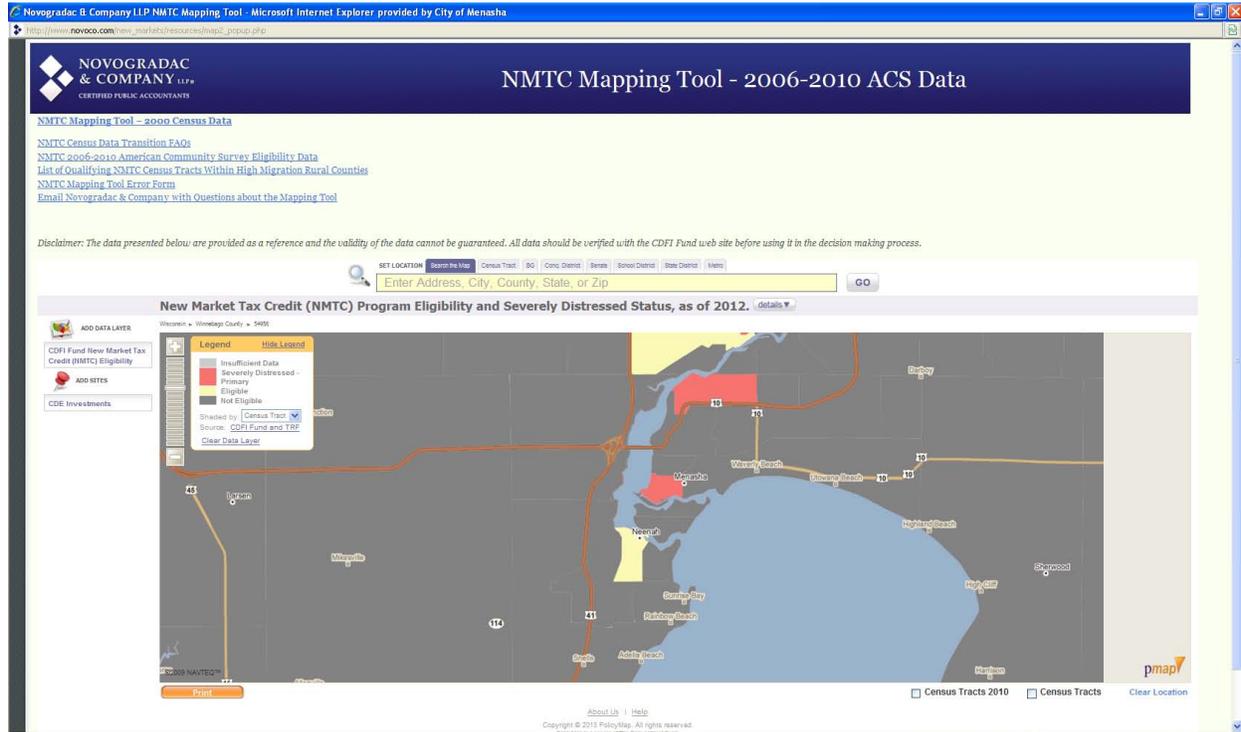
Community Development staff recently became aware that a substantial portion of the city's urban core, including the downtown district, is part of a New Market Tax Credit (NMTC) eligible zone. I've attached a map showing the district, which is bounded by the canal on the south, Racine St on the east, Sixth street on the north, and Little Lake Buttes Des Morts on the west. Attached please find a map illustrating this district, along with information on the NMTC program and CDE designation.

Community development staff has been exploring the potential of having the RDA apply for CDE status through this program. The City of Milwaukee's RDA and affiliated organizations have used this designation successfully to acquire tax credits to finance redevelopment, and has also utilized it to partner with financial institutions that have access the NMTC program. On Broadway, Inc. in Green Bay has also leveraged their CDE designation to help capitalized a substantial redevelopment project.

Staff is currently in preliminary phases of determining how the City of Menasha/RDA may benefit from NMTC, but is anticipating bringing forward a formal application for CDE status to a future RDA meeting.

From: Kara Homan
To: Don Markus, Kara M. Kall
Subject: New Market tax credit eligibility
Date: Thursday, April 04, 2013 7:48:03 AM
Attachments: [novoco01.png](#)
[novoco02.png](#)

Downtown 3rd street corridor is "severely distress" per new market tax credits, whether using 2000 census data or more recent ACS data. Below are the maps. I will connect with WHEDA to get more information about how to access the tax credits. Hopefully we can tap this program for several projects downtown.



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Accessing the Mapping System

New Markets Tax Credit Program

Announcements

- [Treasury Announces \\$3.5 Billion in New Markets Tax Credit Awards](#)
- [New Markets Tax Credit Program Update](#)
- [IRS Issues Final Regulations on New Markets Tax Credit](#)

Overview

The New Markets Tax Credit Program (NMTC Program) was established by Congress in 2000 to spur new or increased investments into operating businesses and real estate projects located in low-income communities. The NMTC Program attracts investment capital to low-income communities by permitting individual and corporate investors to receive a tax credit against their Federal income tax return in exchange for making equity investments in specialized financial institutions called Community Development Entities (CDEs). The credit totals 39 percent of the original investment amount and is claimed over a period of seven years (five percent for each of the first three years, and six percent for each of the remaining four years). The investment in the CDE cannot be redeemed before the end of the seven-year period.

Since the NMTC Program's inception, the CDFI Fund has made 749 awards allocating a total of \$36.5 billion in tax credit authority to CDEs through a competitive application process. This \$36.5 billion includes \$3 billion in Recovery Act Awards and \$1 billion of special allocation authority to be used for the recovery and redevelopment of the Gulf Opportunity Zone.

For more information, please see the 2012 NMTC Program Fact Sheet ([English/ Spanish](#)).

If you have a question, please contact the NMTC Help Desk at (202) 653-0421, option 3 or cdfihelp@cdfi.treas.gov.

Eligibility

An organization wishing to receive awards under the NMTC Program must be certified as a CDE by the Fund.

To qualify as a CDE, an organization must:

- be a domestic corporation or partnership at the time of the certification application;
- demonstrate a primary mission of serving, or providing investment

- demonstrate a primary mission of creating, or providing investment capital for, low-income communities or low-income persons; and
- maintain accountability to residents of low-income communities through representation on a governing board of or advisory board to the entity.

For more detailed information on the CDE certification process and CDE certification Application materials, please visit the [CDE Certification page](#).

Timeline

The timeline of the upcoming 2013 Round of the NMTC Program is to be determined. The application materials for the closed 2012 Round can be viewed below in the "Application Materials" section.

Application Materials

- [2012 NOAA](#)
- [2012 NMTC Program - Application](#)
- [2012 NMTC Online Application Instructions](#)
- [2012 NMTC Program - Application Q&A \(Updated: 08/15/2012\)](#)
- [2012 NMTC Program - Application Webinar](#)
- [2012 NMTC Program - Application Webinar Materials](#)

Low-Income Communities and Targeted Populations

- [NMTC Q&A: Low-Income Communities and Targeted Populations](#)
 - [Statewide Median Family Income: 2006-2010 American Community Survey 5-Year Estimates](#)
- [IRS - Final Regulations for Targeted Populations](#)
- [IRS Help Desk For General NMTC Questions](#)

Census Low-Income Community Eligibility Data

- **American Community Survey 2006-2010**
- [Updated NMTC Eligibility Data \(2006-2010 American Community Survey\) \(Updated: October 17, 2012\)](#)
- **2000 Census (for 2011 and prior Allocatees; eligibility through June 30, 2013)**
- [CDFI Fund Mapping System \(CIMS\)](#)
- [Information on Qualifying Census Tracts in Non-Metropolitan Counties \(.pdf\)](#)
- [List of Qualifying Census Tracts in Non-Metropolitan Counties \(.xls\)](#)
- [List of Qualifying NMTC Census Tracts Within High Migration Rural Counties](#)
- [List of Qualifying Counties and Eligible Low-Income Communities in the Go Zone](#)
- [Map of Gulf Opportunity Zones](#)
- [Katrina Severely Damaged Census Tracts](#)

Find CDEs with an NMTC Allocation

- [QEI Issuance Report \(May 2013\)](#)
- [NMTC Program Allocatees States Served](#)
- [Searchable Award Database](#)

- [Searchable Award Database](#)

NMTC Compliance Resources

- [Certification of Material Events Form](#)
- [Frequently Asked Questions on Material Events](#)
- [NMTC Compliance & Monitoring Frequently Asked Questions \(September 2011\)](#)
- [New Markets Tax Credit Allocation Agreement Template \(2012\)](#)
- [FAQ for Section 6.12 of CY 2012 Allocation Agreement \(Disclosure Statement Guidance\)](#)

IRS Materials and Program Regulations

- [IRS Help Desk For General NMTC Questions](#)
- [IRS TD-9600: Final Regulations for Non-Real Estate Investments](#)
- [IRS TD-9600: Frequently Asked Questions](#)
- [IRS - Final Regulations for Targeted Populations](#)
- [IRS - Changes to the New Markets Tax Credit to Facilitate Investment in Small Businesses](#)
- [IRS New Markets Tax Credit Audit Technique Guide](#)
- [IRS -Rev. Rul. 2010-17: Section 45D- New Markets Tax Credit](#)
- [IRS- Rev. Rul. 2010-16: Section 469-Passive Activity Losses and Credits Limited](#)
- [IRS - Proposed Amendments to NMTC Program Regulations \(Aug 2008\)](#)
- [IRS - NMTC Program Income Tax Regulations](#)
- [IRS - Guidance Regarding use of Borrowed Funds to Make Qualified Equity Investments in CDEs](#)
- [IRS - Form 8874 \(2003\)](#)
- [New Markets Tax Credit Statute](#)

Supplemental Resources

- [How to Request a Legal Review](#)
- [CDE Certification](#)
- [Compliance, Monitoring, and Evaluation](#)
- [Research Reports and Impact Data](#)

Past Awards

- [2012 NMTC Program Award Booklet](#)
- [2012 NMTC Program Award List](#)
- [2012 NMTC Program Highlights](#)
- [NMTC Program Allocatee States Served](#)
- [Searchable Award Database](#)
- [The NMTC Program Application Evaluation Process](#)

Program Materials Archive

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CDE Certification

Announcements

- [CDFI Fund Seeks Public Comment on CDE Certification Application](#)
- [Important - Our Contact Information Has Changed!](#)

Overview

A CDE is a domestic corporation or partnership that is an intermediary vehicle for the provision of loans, investments, or financial counseling in Low-Income Communities (LICs). Benefits of being certified as a CDE include being able to apply to the CDFI Fund to receive a New Markets Tax Credit (NMTC) allocation to offer its investors in exchange for equity investments in the CDE and/or its subsidiaries; or to receive loans or investments from other CDEs that have received NMTC allocations.

Eligibility

To become certified as a CDE, an organization must submit a CDE Certification Application to the Fund for review. The application must demonstrate that the applicant meets each of the following requirements to become certified:

- Be a legal entity at the time of application;
- Have a primary mission of serving LICs; and
- Maintain accountability to the residents of its targeted LICs.

For more detailed information, please refer to the documents in the Application section below.

CDE Certification Application Deadlines

CDE Certification Applications may be submitted at any time, except in the following circumstances:

- *Applying for NMTC Allocation: postmarked on or before August 3, 2012
- Service Area Amendment Requests: August 3, 2012
- CDE Certification of Subsidiaries for meeting QEI issuance: October 31, 2012

NOTE: An organization that is currently certified as a CDFI by the CDFI Fund or designated as a Specialized Small Business Investment Company by the Small Business Administration automatically qualifies as a CDE and may register to become a CDE via the online registration link located in the myCDFIFund Account.

CDE Certification Conference Calls

The CDE Certification team will conduct a series of conference calls to provide further guidance on the CDE Certification Application. The dial-in number and pass codes are the same for all calls. The dial-in number is (202) 927-2255 and the pass code is 962624. No prior registration is necessary. The first group of these conference calls are set for the dates and times below. Additional conference calls are expected to be scheduled for later in August and September. Please note that the call is not toll free.

Date	Time
Wednesday, July 25, 2012	3 p.m. EDT
Monday, July 30, 2012	3 p.m. EDT
Wednesday, August 1, 2012	3 p.m. EDT

Contact Us

Michelle Dickens Management Analyst (202) 653-0335
Charlene Pierce Management and Program Analyst (202) 653-0343

Application Materials

- [CDE Certification - Application](#)
- [CDE Certification - Certification Guidance](#)
- [CDE Certification - Frequently Asked Questions](#)

Supplemental Application Charts and Tables

- [CDE Certification - Subsidiary CDE List](#)
- [CDE Certification - Subsidiary CDE Basic Information](#)
- [CDE Certification - Subsidiary CDE Legal Entity](#)
- [CDE Certification - Subsidiary CDE Primary Mission](#)
- [CDE Certification - Subsidiary CDE Board Table](#)
- [CDE Certification - Subsidiary CDE Accountability & Service Area](#)
- [CDE Certification - Low-Income Representative Form](#)

Supplemental Resources

- [CDE Certification - Glossary of Terms](#)

Certified CDEs

- [Certified CDEs by Organization Name](#)
- [Certified CDEs by State](#)

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