**New Markets Tax Credit Program**

Congress created the **New Markets Tax Credit** (NMTC) program in 2000 to spur investment of private capital for economic development in both rural and urban low-income communities. Individuals and corporations receive a tax credit against federal income taxes for making investments in certain low-income properties or businesses when those investments are made through a “community development entity” (CDE).

**Vermont Rural Ventures** (VRV), a qualified CDE operated by Housing Vermont, secured its first allocation of NMTC in the spring of 2009. Vermont Rural Ventures will use its New Markets Tax Credit resources to support investment in the economic, environmental, and social well-being of Vermont communities. NMTC funds will be used to retain and create jobs for Vermonters by financing key community developments in downtown and village centers and in other concerted community efforts which demonstrate positive impacts on Vermont’s economic, health care, energy and food systems.

**How to Proceed:**

This document is meant to be a helpful resource to applicants. If you have questions our staff is always happy to speak with you directly. The following is a brief explanation of how the process works.

**Step 1:** The project sponsor (i.e. borrower) must first determine that the project is located in a Qualifying Low-Income Census Tract. (See page 2 for further details)

**Step 2:** If the project is in a qualifying low-income census tract, the sponsor must complete the attached Assessment Form for preliminary VRV review.

**Step 3:** Qualifying projects may then be included in VRV’s pipeline. VRV will analyze and prioritize projects in the pipeline with a focus on targeting investments that support the economic, environmental, and social well-being of Vermont communities. This will include meeting with the sponsor to discuss further details of the project and additional due diligence information gathering. Inclusion in VRV’s potential NMTC project pipeline is not a commitment of NMTC allocation.

**Step 4**: If the project sponsor and VRV are mutually interested in pursuing financing with NMTC then VRV staff will complete detailed underwriting of the project prior to bringing it to the VRV Board for review and approval.

If you have any questions, please feel free to contact us directly at (802) 863-8424 or [vrv@hvt.org](mailto:vrv@hvt.org).

Thank you for your interest in Vermont Rural Ventures’ New Markets Tax Credit Program.

**Step One**

Identify your project’s census tract number using the Federal Geocode Look Up website. Then, locate the tract number on the below spreadsheet. If the tract is not listed below it is not eligible. Note: Geocode tract numbers relate to the below as: Geocode tract number: **9515.00** = 50019951500

Geocode Look Up: <http://www.ffiec.gov/Geocode/default.aspx>

You may search location eligibility here with this mapping tool but always follow the above as a means to verify: <http://www.novoco.com/new_markets/resources/map2_popup.php>

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **County** | **Census Tract** | **Census Tract Poverty Rate** (% of pop. at or below the poverty level) | **Census Tract Median Family Income** (as a % of applicable family AMI) | **Census Tract Unemployment Rate** |
| **Qualified Non-Metropolitan Census Tracts** | | | | |
| Addison | 50001960300 | 20.0 | 92.1 | 7.2 |
| Addison | 50001960800 | 33.8 | 89.5 | 5.9 |
| Bennington | 50003970300 | 11.5 | 74.1 | 7.7 |
| Bennington | 50003970900 | 28.9 | 54.6 | 5.7 |
| Bennington | 50003971200 | 16.8 | 68.6 | 6.9 |
| Caledonia | 50005957000 | 15.1 | 72.5 | 8.0 |
| Caledonia | 50005957200 | 16.5 | 71.8 | 9.5 |
| Caledonia | 50005957400 | 21.5 | 74.1 | 6.5 |
| Caledonia | 50005957500 | 12.5 | 70.1 | 5.9 |
| Caledonia | 50005957700 | 18.3 | 69.0 | 6.0 |
| Essex | 50009950100 | 20.2 | 70.9 | 9.2 |
| Essex | 50009950500 | 14.1 | 71.1 | 8.9 |
| Lamoille | 50015953200 | 18.2 | 62.6 | 10.3 |
| Orleans | 50019951100 | 18.2 | 67.7 | 5.3 |
| Orleans | 50019951200 | 10.0 | 74.9 | 6.8 |
| Orleans | 50019951400 | 12.2 | 70.9 | 9.5 |
| Orleans | 50019951500 | 26.3 | 64.5 | 11.1 |
| Orleans | 50019951800 | 16.0 | 68.7 | 9.3 |
| Rutland | 50021963100 | 24.7 | 58.8 | 13.4 |
| Rutland | 50021963200 | 19.2 | 67.9 | 11.5 |
| Rutland | 50021963700 | 10.4 | 76.7 | 8.0 |
| Washington | 50023954800 | 20.0 | 86.7 | 5.4 |
| Washington | 50023955100 | 25.5 | 69.4 | 11.1 |
| Windham | 50025967000 | 22.6 | 57.6 | 12.9 |
| Windham | 50025967400 | 16.0 | 73.5 | 5.1 |
| Windham | 50025967500 | 8.5 | 75.7 | 5.2 |
| Windham | 50025968200 | 19.9 | 75.7 | 5.5 |
| Windham | 50025968500 | 16.2 | 64.4 | 9.4 |
| Windsor | 50027965300 | 15.5 | 37.4 | 5.9 |
| Windsor | 50027966600 | 14.5 | 77.1 | 3.6 |
| **County** | **Census Tract** | **Census Tract Poverty Rate** (% of pop. at or below the poverty level) | **Census Tract Median Family Income** (as a % of applicable family AMI) | **Census Tract Unemployment Rate** |
| **Qualified Burlington MSA Census Tracts** | | | | |
| Chittenden | 50007000100 | 14.4 | 71.9 | 7.5 |
| Chittenden | 50007000300 | 25.9 | 50.8 | 5.5 |
| Chittenden | 50007000400 | 41.6 | 35.1 | 8.7 |
| Chittenden | 50007000500 | 55.2 | 81.7 | 10.3 |
| Chittenden | 50007000600 | 30.4 | 71.9 | 6.2 |
| Chittenden | 50007000900 | 22.8 | 117.7 | 8.7 |
| Chittenden | 50007001000 | 28.4 | 55.2 | 7.7 |
| Chittenden | 50007002400 | 23.2 | 67.6 | 5.5 |
| Chittenden | 50007002500 | 24.0 | 67.9 | 7.2 |
| Chittenden | 50007003900 | 26.6 | 203.6 | 12.9 |
| Franklin | 50011010100 | 12.1 | 74.1 | 6.8 |
| Franklin | 50011010200 | 14.3 | 75.8 | 7.9 |
| Franklin | 50011010300 | 14.5 | 54.5 | 8.0 |
| Franklin | 50011010700 | 20.5 | 62.7 | 11.4 |

**Step Two**

Now that you’ve determined location eligibility, the next step is to complete the Assessment Form, designed to provide preliminary project information.

**This is not an application for financing.**

Among the elements considered are:

* To what extent does the project address the Community’s:
  + Social well-being
  + Environmental impact
  + Economic viability
* Is the project dependent on NMTC financing to generate community impact?
* How will NMTC financing make the project economically feasible?
* What is the amount of financing required?

***For more information regarding the New Markets Tax Credit Program, visit the following web sites:***

<http://www.cdfifund.gov/what_we_do/programs_id.asp?programID=5>

[*http://www.cohnreznick.com/insights/resource-center/new-markets-tax-credits*](http://www.cohnreznick.com/insights/resource-center/new-markets-tax-credits)

<http://www.novoco.com/new_markets/index.php>

**VRV Assessment Form**

*Feel free to attach or include any additional explanatory or summary project materials and information*.

|  |  |  |
| --- | --- | --- |
| **I. General Project Information** | | |
| Project Name: |  | |
| Project Address : | |  |  | | --- | --- | | Street Address: |  | | City, State: |  | | Zip Code: |  | | |
| Project County: |  | |
| Project Census Tract: |  | |
| Main Project Contact: | |  |  | | --- | --- | | Name: |  | | Company/Role: |  | | Phone: |  | | E-mail: |  | | |
| Project Sponsor:  *(attach development team qualifications, if available)* | |  |  | | --- | --- | | Company Name: |  | | Address: |  | | Website: |  | | |
| Sponsor Type: | For Profit Non-Profit  Governmental Other (describe): | |
| **Project Description**  Nature of Venture for which Financing is being requested | Real Estate    Operating Business    Other (describe): |  |
| Please provide a general description of the project in the space following. (You can supplement this information by attaching additional materials). If applicable, please describe the use of the real estate (office, retail, industrial, housing, day care, etc) and the prospective tenant mix. ***Note: If it is a mixed-use project, then no more than 80% of its gross revenue may come from dwelling units.*** | | |
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| **II. Project Impact Information & Other Attributes**  *(throughout this section LIP means Low-Income Person and LIC means Low-Income Community*  *as defined in Exhibit I – NMTC definitions)* |
| |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | Square Footage of Space Created/ Rehabilitated: | |  |  |  |  | | --- | --- | --- | --- | | Type | Square footage | % of total | New/Rehab | | Retail: |  |  |  | | Office: |  |  |  | | Industrial: |  |  |  | | Rental Housing: |  |  |  | | Community facilities: |  |  |  | | Other (describe): |  |  |  | | Total: |  |  |  | | |
| |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | Housing Units Developed: | |  |  | | --- | --- | | Total # of units: |  | | # of units affordable to households earning 80% or less of area median income: |  | | |
| |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | Community Facility Space Developed: | |  |  | | --- | --- | | Type(s) of services to be provided: |  | | Estimated number of unduplicated persons served by the services to be provided: |  | | |

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| --- | --- | --- |
| **Job Creation & Retention:** | | |
| Number of permanent jobs created/retained by the project? | |  |
| Number of construction jobs or other (temporary) jobs created by the project? | |  |
| Number of indirectly related jobs created by the project? | |  |
| If jobs are being relocated, would they be coming from another low-income community (LIC)? | |  |
| To what extent are jobs likely to go to residents of the LIC or low-income people (LIP)? | |  |
| What, if any, efforts will be made to target jobs to LIC residents or other LIPs? | |  |
| What is the nature of the anticipated jobs in terms of wages, benefits, etc? | |  |
| Describe the basis for the job creation estimates provided above: | |  |
| % of Development Costs targeted to MWBE’s (Minority Women Business Entities) | |  |
| Describe efforts that will be made to link minority workers, women, LIC residents, LIPs to jobs created by the project: | |  |
| |  |  |  | | --- | --- | --- | | **Indicate whether the project is expected to result in the following impacts:** | **Yes** | **No** | | 1. Increase wages/incomes for LIP or residents of LICs. |  |  | | 1. Finance or assist businesses owned by residents of LICs or committed to remaining in the LIC. |  |  | | 1. Finance or assist minority- or women-owned businesses or businesses owned by LIPs. |  |  | | 1. Finance or assist businesses that provide childcare, healthcare, educational or other benefits to LIPs and/or LIC residents. |  |  | | 1. Facilitate wealth-creation or asset accumulation (such as home ownership) by LIPs and LIC residents. |  |  | | 1. Provide goods and services to LIPs and LIC residents. |  |  | | 1. Finance real estate businesses which will provide lower rent, more flexible credit standards and/or lease terms than what is available in the market. |  |  | | | |
| For impacts answered yes above, please describe and quantify the impacts to the extent possible *(if you have commissioned an economic impact study, please enclose a copy of that study)*. Describe efforts that will be made to generate these impacts:  **Environmental Benefits:** | | |
| |  |  |  | | --- | --- | --- | | **Indicate whether the project is expected to achieve the following environmental/ green building goals:** | **Yes** | **No** | | 1. Environmental Certification (i.e., LEED certified or LEED eligible) |  |  | | 1. Transit Oriented Development |  |  | | 1. Brownfield Development |  |  | | 1. Energy saving features (describe below) |  |  | | 1. Water saving features |  |  | | 1. Alternative energy (solar, geo thermal, wind, etc.) |  |  | | 1. Recycling/building material reuse |  |  | | 1. CO2 emission reduction |  |  | | 1. Other |  |  | | | |
| For items answered yes above, please provide brief description of anticipated environmental impacts: | | |
| **Other**: | | |
| Please provide a description of local support for the project, including governmental, civic organizations, citizens groups, local businesses and any other organizations consulted about the development plan. |  | |
| Is project a component of a larger community/region revitalization plan? If so, explain how this project will meet the goals/objectives of the plan. |  | |
| Describe the extent to which the project will initiate or accelerate community revitalization. |  | |
| Describe additional private development in the community that is expected to result from this project. |  | |

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| --- | --- | --- | --- |
| **III. Project Financing** | | | |
| NMTC Allocation request (if known): | | | $ |
| Other CDE’s from which NMTC authority has been/will be requested and amount: | | |  |
| **Estimated Development Budget** | | | |
| Project Costs:  *(attach detailed development)* | |  |  | | --- | --- | | Acquisition Costs: | $ | | Construction Costs: | $ | | Developer Fee: | $ | | Other: | $ | | **Total Project Costs:** | **$** | | | |
| Project Sources: | |  |  |  | | --- | --- | --- | |  |  | Status  (i.e. received, committed, term sheet, applied for, estimate) | | Equity: | $ |  | | Hard Debt: | $ |  | | Soft Debt: | $ |  | | Historic tax credit Debt/Equity: | $ |  | | NMTC Debt/Equity: | $ |  | | Other: | $ |  | | Remaining financing needed: | $ |  | | **Total Project Sources** | $ |  | | | |
| Describe in detail the need for NMTC financing and the impact if the project did not receive NMTC financing: | |  | |

|  |  |
| --- | --- |
| **IV. Project Readiness and Timing** | |
| Anticipated closing date: |  |
| Anticipated construction start date: |  |
| Anticipated construction completion date: |  |
| Status of site control: |  |
| Describe potential barriers to achieving timeline above: |  |

***Feel free to attach additional explanatory or summary project materials and information*.**

**Exhibit I – NMTC Definitions**

***Low-Income Community (LIC)*** – Under IRC Section 45D(e)(1), any census tract if:

1. The poverty rate for such tract is at least 20 percent, or;
2. (a) in the case of tract not located within a metropolitan area, the median family income for such tract does not exceed 80% of statewide median family income, or; (b) in the case of a tract located within a metropolitan area, the median family income for such tract does not exceed 80% of the greater of statewide median family income or the metropolitan area median family income.

***Low-Income Person (LIP)*** – Any individual having an income, adjusted for family size, of not more than:

1. For metropolitan areas, 80% of the area median family income; and
2. For non-metropolitan areas, the greater of:
   1. 80% of the area median family income; or
   2. 80% of the statewide non-metropolitan area median family income.

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| **Addendum: Census Tract Eligibility / Community Distress Information *(to be completed by VRV staff)*** | | | |
| *Indicate whether project is located in any of the following:* | **Yes** | **No** | **Unsure** |
| 1. Census tract with a poverty rate greater than 30% |  |  |  |
| 1. Census tract outside the Burlington MSA, having a median family income that does not exceed 60% of state wide median income |  |  |  |
| 1. Census tract within the Burlington MSA, having a median family income that does not exceed the greater of 60% of state wide median income or 60% of the Burlington MSA median family income. |  |  |  |
| 1. Census tract with an unemployment rate at least 1.5 times the national average (7.9% per 2006-2010 ACS data) |  |  |  |
| 5. Census tract with one of the following: (a) poverty rate greater than 25% or (b) if located within a non-Metropolitan Area, median family income that does not exceed 70% of statewide median family income, or, if located within a Metropolitan Area, median family income that does not exceed 70% of the greater of the statewide median family income or the Metropolitan Area median family income; or (c) unemployment rates at least 1.25 times the national average. |  |  |  |
| 6. Census tract that is a rural, non-metropolitan statistical area (MSA). |  |  |  |
| 7. Federally designated Empowerment Zone. |  |  |  |
| 8. U.S. Small Business Administration (SBA) designated HUB Zones, to the  extent that the project will support businesses that obtain HUB Zone certification from the SBA; |  |  |  |
| 9. Brownfield site as defined under 42 U.S.C. 9601(39); |  |  |  |
| 10. Area encompassed by a HOPE VI redevelopment plan; |  |  |  |
| 11. Federally designated medically underserved area, to the extent that the project activities will support health related services; |  |  |  |
| 12. As permitted by IRS and related CDFI Fund guidance materials, serves  Targeted Populations to the extent that: (a) such projects are at least 60% owned by LIPs; (b) at least 60% of the employees are LIPs; or (d) at least 60% of the customers are LIPs; |  |  |  |
| 13. State or local tax-increment financing district, enterprise zone program, or  other similar state/local program targeted towards particularly economically  distressed communities; |  |  |  |
| 14. County for which FEMA has a) issued a ‘major disaster declaration’ and b) determined that such a county is eligible for BOTH individual and public assistance, provide the initial project investment was made within 24 months of the disaster declaration; |  |  |  |
| 15. A food desert, which must be: 1) a census tract determined to be a food desert; or 2) a census tract that qualifies as a LIC and has been identified as having low access to a supermarket or grocery store through a methodology that has been adopted for use by another governmental or philanthropic healthy food initiative, to the extent QLICI activities will increase access to healthy food. |  |  |  |
| If you checked “yes” for #13 above, provide description of state or local economic development designation: | | | |