

# Novogradac Journal of Tax Credits

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## CDEs, Individuals Honored for Community Development Contributions

By Jennifer Hill, Staff Writer, Novogradac & Company LLP

A locally-owned grocery store, an afterschool athletic program and a salmon processing plant for Alaskan native fishermen were among the projects recognized by the third annual Novogradac Community Development Foundation (NCDF) community development awards. Recipients were honored for using the new markets tax credit (NMTC) program to enact significant positive change in low-income communities, and were presented with their awards on October 20 at Novogradac & Company LLP's New Markets Tax Credit Investors Conference in Chicago, Ill.

The 10 winners and five honorable mentions were nominated by their NMTC industry peers in nine categories. After the nomination period opened in June, a panel of five judges evaluated the eligible applications in August and September before selecting the recipients of individual and CDE awards.

### Individual Honorees

Individual awards recognized persons with a track record of significant achievement in the community development field. Missouri Development Finance Board (MDFB) Director Bob Miserez won the Community Developer of the Year award for helping to secure \$68 million in NMTC financing sources for two downtown St. Louis, Mo. developments, St. Louis Centre and the adjoining One City Centre office tower. Miserez worked with all project sponsors to develop a comfortable transaction structure for all parties. Nominator U.S. Bancorp Community Development Corporation (US-BCDC) said the symbolically and economically important revitalization projects, expected to create approximately 400 construction jobs and 400 permanent positions, would have been delayed without MDFB's support.



Photo Courtesy: StreetSquash

StreetSquash, the Metro QLICI of the Year, serves more than seven times more people since building dedicated program space with NMTC financing from the National Development Council.

California Sen. Gloria Romero, Senate education committee chair, received the State Legislator of the Year award for introducing a bill to create a state NMTC to match the federal program. Senate Bill 1316 advanced beyond the policy and fiscal committees but became inactive when time ran out in the session. In a letter to the Senate journal describing the potential benefits of a state NMTC program, Romero implored the Senate to prioritize its establishment in the upcoming session.

Another lawmaker, Congresswoman Allyson Schwartz, D-

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Photo Courtesy: Coastal Villages Region Fund  
 NMTC allocations from three CDEs aided fishermen in Platinum, Alaska by funding this salmon processing plant, the Non-Metro QLICI of the Year.

Pa., was named Federal Legislator of the Year in honor of her efforts on behalf of the NMTC and the historic tax credit (HTC), which is often important for leveraging NMTC investments. She was the HTC program's leading Democratic spokesperson in the 111th Congress and the original Democratic co-sponsor for the Community Restoration and Revitalization Act, recruiting 77 House co-sponsors.

A public official who spearheaded the creation of a community redevelopment authority (RDA) in East Baton Rouge Parish, La., Mayor-President Melvin "Kip" Holden received the Public Executive of the Year award. Last year the redevelopment authority partnered with the city to form the East Baton Rouge CDE, which is using its \$60 million NMTC allocation to develop a YMCA. Holden's community revitalization initiatives through his office and the RDA have counteracted the disinvestment and blight East Baton Rouge Parish's inner city areas have experienced in recent years and resulted in significant economic development.

### Exceptional Qualified Low-Income Community Investments

CDEs' awards went to entities that made outstanding qualified low-income community investments (QLICIs) in operating businesses, small businesses, real estate, and metro and non-metro areas. The Low Income Investment Fund (LIIF) took the top spot in the Operating Business QLICI category for providing an \$8.8 million NMTC allocation to Part of the Solution (POTS), a multiservice agency that offers meals, clothing, legal assistance, and medical and social services to extremely low-income persons in the Bronx, N.Y. POTS used the financing to transition to a new facility next door, enabling it to serve an additional 170,000 meals annually, hire four additional full-time staff members and restart its medical and dental programs. "LIIF is proud to be able to showcase the work of an organization like POTS and the impact that the NMTC program can have on the lives of the most vulnerable Americans," said LIIF's New York region director Judith Kende. The category's honorable

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Photo Courtesy: Part of the Solution

**Part of the Solution, Operating Business QLICI of the Year, used an \$8.8 million NMTC allocation from the Low Income Investment Fund to transfer to a larger facility.**

mention went to U.S. Bancorp CDE LLC for its QLICI in Evergreen Cooperative Laundry, an employee-owned commercial laundry business in Glenville, Ohio.

National Development Council (NDC) Grow America Fund's \$2 million QLICI in downtown Tacoma, Wash.'s only independent grocery store earned the CDE the Small Business QLICI of the Year award. Stadium Thriftway expanded into a larger space, hired 10 employees and plans to add 20 more to its existing staff through the financing package. The store has a wider footprint and a greater selection of fresh and prepared foods since the expansion, NDC Grow America Fund President Patricia Thomson said, and sales have increased by 10 percent. Runner-up Montana Community Development Corporation was recognized for its investment in Peak Health & Fitness, a health and rehabilitation center in an older, under-served rural Montana community.

Three CDEs teamed up on the NMTC financing package to develop Goodnews Bay Seafoods, a salmon processing plant in the remote village of Platinum, Alaska, where fishing is the dominant way of life. Travois New Markets, Waveland Community Development and NCB Capital Impact won the Non-Metro QLICI of the Year award for their combined \$41 million QLICI in this project, which eliminated the 80-mile boat voyage that village fishermen had faced to process and sell their hand-caught salmon. "Now all those people can afford to process their catch right there at home," said Travois New Markets director Phil Glynn. "It's not everyday you find a sustainable, well-run business that has the obvious mission of helping increase a community's quality of life." AMCREF Community Capital received the honorable mention for investing in Rex Lumber, a renovated, state-of-the-art lumber mill in Brookhaven, Miss.

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Photo Courtesy: National Development Council

**The Small Business QLICI of Year, grocery store Stadium Thriftway was able to expand its presence in an underserved, low-income community thanks to the National Development Council Grow America Fund's NMTC allocation.**

A \$7.3 million NMTC allocation from NDC's HEDC New Markets enabled StreetSquash to expand its reach from 35 to more than 1,000 inner-city youth per year in its Harlem, N.Y. neighborhood. HEDC New Markets won the Metro QLICI of the Year award for helping the formerly scattered-site, afterschool and physical education enrichment program move from borrowed squash courts and office spaces to the SL Green StreetSquash Center, a newly constructed 18,000-square-foot facility. "Our community has lacked a dedication of resources," said StreetSquash executive director George Polsky. "Now that we have daytime programming, we've served 500-600 kids – we never had that capacity before." HEDC New Markets program manager David Trevisani said the new center would never have been realized without NMTCs. Runners-up National Trust Community Investment Corporation and City First Bank of DC were honored for their QLICI in the restored American Brewery "Brewhouse" Building, new headquarters for an employment and clinical services provider in Baltimore, Md.

Two projects' CDEs tied for the Real Estate QLICI of the Year award. In the first, Stonehenge Community Development and U.S. Bancorp CDE provided a combined \$28 million in NMTC financing for the International Civil Rights Center and Museum (ICRCM) in Greensboro, N.C. Located in the restored F.W. Woolworth building where the famous Greensboro Four sit-in took place, the museum commemorates the U.S. civil rights movement. ICRCM is an important historic monument that will pro-

voke thought and reflection, and has already attracted thousands of visitors to Greensboro, USBCDC chairman and CEO Zack Boyer said.

Also receiving the Real Estate QLICI of the Year award were Excellent Education Development (ExED) and NCB Capital Impact for providing NMTC financing to build two charter schools, William and Carol Ouchi High School and Christine O'Donovan Middle Academy in Los Angeles, Calif. Through the use of \$14.3 million in NMTCs, the schools opened last fall and have already been recognized as high-performing public schools in their district. "The achievement of the kids based on academic performance is much higher than in other schools in the neighborhood. This is a school people in the

community want to attend," said ExED executive director Anita Landecker, who noted that the site where an abandoned building once stood has now become a community asset. Honorable mention went to National Community Fund I for Restoration Plaza, a rehabilitated town square and entertainment area in central Brooklyn, N.Y.



Photo Courtesy: International Civil Rights Center and Museum

**The Greensboro Four staged a famous non-violent protest in the building that now houses the International Civil Rights Center and Museum, the Real Estate QLICI of the Year award-winning development.**

NCDF, the awards administrator, is a not-for-profit entity that furthers community and economic development, supports beneficial public policy and works to preserve and enhance neighborhoods. For more information, contact Novogradac & Company by email at CPAs@novoco.com, by phone at (415) 356-8000 or visit [www.newmarketscredits.com](http://www.newmarketscredits.com) or [www.novoco.com](http://www.novoco.com). ❖

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