

## NEW MARKETS TAX CREDIT BRIEFS

To support **Hurricane Sandy** recovery efforts, the **Low Income Investment Fund** (LIIF) is committing \$1 million to provide food and services to hurricane victims. One of the first projects LIIF is supporting is **St. John's Bread & Life**, which provides meals and services in Brooklyn and Queens. The organization has a facility in Brooklyn and a mobile soup kitchen that provided emergency food in the aftermath of the storm. LIIF will also provide funds to rebuild a Key Food grocery store in Coney Island, which was flooded with five feet of water during Hurricane Sandy. LIIF funds will help Key Food repair the building and restock the store's shelves, which were looted after the storm.

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*Photo: Courtesy of Donald Koepler*

Travois New Markets provided \$7.6 million in New Markets Tax Credit to expand the Molokai Community Health Center campus on the Hawaiian island of Molokai.

**Travois New Markets**, a community development entity headquartered in Kansas City, Mo., recently closed new markets tax credit (NMTC) projects with **U.S. Bank** and the **Indion Group**. The first project involves the nonprofit **Pueblo of Laguna Utility Authority** in New Mexico and the rehabilitation of dilapidated water and wastewater infrastructure systems that service six villages. The current phase of the project is expected to be completed by 2013 and is part of a larger \$70 million, 10-year water improvement project. The improvements will increase firefighting-readiness by 33 percent. As the capital sponsor, Travois will provide \$7.3 million in tax credits and U.S. Bancorp Community Development Corporation, a subsidiary of U.S. Bank, will provide \$2.1 million in NMTC equity. The second project involves the expansion of the **Molokai Community Health Center's** multi-building campus on the Hawaiian island of Molokai. The facility will help combat issues among the island's low-income residents such as substance abuse, teen pregnancy, childhood obesity and heart

disease. Travois provided \$7.6 million in NMTC for the \$8.6 million project and Indion Ventures committed \$2 million in equity support. Funding will allow the expansion of an on-site commercial kitchen and the addition of decking to comply with the Americans with Disabilities Act. The campus is scheduled to be completed in summer 2013.

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**U.S. Sen. Charles Schumer**, D-N.Y., announced his **support of extending the NMTC** to help renovate historic buildings and create local jobs. During his tour of Buffalo on Nov. 20, Schumer spoke of how increased federal support would spur economic development and would help preserve landmarks like Buffalo's 90-year-old Statler Hotel, the 1870 H.H. Richardson Complex and the AM&A Building. Another priority of Schumer's tax extenders package is the **Creating American Prosperity Through Preservation (CAPP) Act**, which would increase the historic tax credit from 20 percent to 30 percent of investment costs for projects under \$7.5 million and make more buildings eligible for the credit. The CAPP Act also provides additional tax credits for energy-efficient redevelopment features and exempts state historic tax proceeds from federal tax. Schumer said that the NMTC and CAPP Act would help leverage private investment and encourage construction efforts in Buffalo.

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**Morgan Stanley** and the **Local Initiatives Support Corporation (LISC)** have partnered in launching a **small business loan fund** to encourage job creation and small business growth in struggling communities. Morgan Stanley is providing \$10 million in debt financing and equity capital and LISC is allocating federal NMTCs to the fund. The fund will make qualifying loans through the Small Business Administration 504 program, which helps businesses buy, build or expand facilities and purchase equipment. Morgan Stanley, LISC and CDC Capital Markets will source and manage loans for the small business loan fund. During the course of the upcoming year, the new fund is expected to support small businesses in 31 distressed urban neighborhoods where LISC is already operating. Areas include Chicago, Detroit, Indianapolis, Los Angeles, Milwaukee, New York City, Phoenix, San Diego and the San Francisco Bay Area. The fund will also benefit rural communities in which LISC works. For more information on the fund, go to [www.cdccapitalmarkets.com](http://www.cdccapitalmarkets.com).