

State Briefs

Legislation was introduced Aug. 29 to create a 10 percent state tax credit in Ohio for taxpayers who invest in an Ohio-based opportunity fund that participates in the federal opportunity zones (OZ) incentive. H.B. 727 would provide the state tax credit to taxpayers who invest at least \$250,000 in an opportunity fund that holds 100 percent of its assets in a qualified OZ business or qualified OZ property in a designated Ohio qualified OZ. The bill is available at www.novoco.com.

♦♦♦

Illinois Senate Bill 3212 was signed into law Aug. 18 and will be effective June 1, 2019. The bill ensures that nothing in the Illinois Income Tax Act prohibits the disclosure of information by officials of a county or municipality involving reports of damaged property or the owners of damaged property. This is only if that disclosure is made to a township or county assessment official in connection with a natural disaster credit obtained or sought under the provisions of the credit.

Historic Hospital Dormitory

Continued from page 55

support from SCL and the City of Denver, you have all the makings for a solid project asset," said Brian Dale, a managing director at Citi Community Capital. "It's perfect for affordable senior housing and will be an important addition to the neighborhood."

Other sources include a \$735,000 loan from the City of Denver Office of Economic Development and a \$685,000 deferred developer fee.

Tammen Hall is scheduled to open June 2019. ♦

Novogradac Services Contact

Mike Morrison, CPA

Partner, Novogradac & Company LLP

415.356.8025 • Mike.Morrison@novoco.com

♦♦♦

The Kentucky Cabinet for Economic Development released a revised fact sheet for its business investment credit June 1. The fact sheet also provides a list of enhanced incentive counties. Projects in June 30, 2017, decertified counties must have final approval by June 30, 2020. Projects in June 30, 2016, decertified enhanced incentive counties must have final approval by June 30, 2019.

♦♦♦

Pennsylvania Gov. Tom Wolf announced \$3 million in 2017-18 historic preservation tax credits Aug. 9 to 21 properties. The awards are expected to leverage an estimated \$257 million for the preservation. The 21 projects are located in Allegheny, Berks, Centre, Dauphin, Lackawanna, Lancaster, Luzerne, Northampton, Washington and York counties as well as the city of Philadelphia. The application due date for fiscal year 2018-19 is Nov. 1.

Tammen Hall

FINANCING

- ♦ \$13 million construction loan from Citi Community Capital
 - \$10.5 million tax-exempt and \$2.5 million taxable
- ♦ \$5.7 million federal low-income housing tax credit (LIHTC) equity from Midwest Housing Equity Group (MHEG)
- ♦ \$3.5 million permanent loan from Citi Community Capital
- ♦ \$3 million federal historic tax credit (HTC) equity from MHEG
- ♦ \$1.7 million building carryback loan from Sister of Charity of Leavenworth (SCL)
- ♦ \$1.6 million state LIHTC equity from Advantage Capital
- ♦ \$880,000 state HTC equity from Advantage Capital
- ♦ \$735,000 city of Denver Office of Economic Development loan
- ♦ \$685,000 deferred developer fee
- ♦ \$580,000 gap loan from SCL

QLICI of the Year Award Winners Show Diversity of NMTC Program

BRAD STANHOPE, SENIOR EDITOR, NOVOGRADAC & COMPANY LLP

From a creative-arts-focused, mixed-use development to a health care campus in an opioid-slammed community, from a fast-growing manufacturer in South Carolina to a fishery preserve on Native American property in Northern California, winners of the Novogradac Journal of Tax Credits Community Development QLICI of the Year awards for 2018 span the world of new markets tax credit (NMTC) investments.

Four award-winners will be honored Oct. 18 at the Novogradac 2018 New Markets Tax Credit Fall Conference. The awards celebrate community development entities (CDEs) whose NMTC allocations exhibit a well-executed vision and measurable impact, as well as those showing a commitment to establishing positive change to bring more people and places into the economic mainstream.

"The winners of the QLICI of the Year Awards show the diversity in the way CDEs make investments," said Brad Elphick, CPA, chairman of the conference and partner in Novogradac & Company LLP's metropolitan Atlanta office. "The winners not only are diverse in the businesses in which they invest, but geographically, too. They cover coast to coast."

This year's winners:

Operating Business QLICI of the Year: Carbon Conversions Inc.

A growing business in a struggling city got a big boost from NMTCs when AMCREF Community Capital provided \$10.3 million in NMTC financing to Carbon Conversions Inc. (CCI) in Lake City, S.C. CCI produces primary carbon—which is increasingly replacing titanium, aluminum, steel and magnesium in the

aircraft and automotive industries—but was struggling to raise sufficient additional capital.



Image: Courtesy of AMCREF Community Capital LLC
Carbon Conversions Inc. in Lake City, S.C., got low-cost flexible NMTC-based debt from AMCREF Community Capital to help it expand and continue to grow.

AMCREF stepped forward to provide low-cost, flexible NMTC-based debt to help the plant expand and keep growing. The benefits for Lake City, which an unemployment rate of 20 percent in 2017, included 70 full-time equivalent jobs retained and 155 more created over three years—with 92 percent of the jobs going to local hires and 88 percent accessible to people without a college degree. CCI's facility will also recycle up to 4,200 pounds of carbon fiber each year, reducing landfill waste.

Continued on page 58

Continued from page 57

The NMTC allocation allowed CCI to expedite its plant expansion in a timely manner and keep the manufacturer financially viable.

Real Estate QLICI of the Year: The Monarch Mixed-Use Redevelopment

A historic, long-vacant building in Ogden, Utah, will serve as a creative and arts-focused mixed-use development called The Monarch, thanks to an \$8 million NMTC allocation from DV Community Investment LLC and a \$1 million allocation from Chase New Markets Corporation.



Image: Courtesy of 455 QALICB LLC
The groundbreaking for The Monarch, a mixed-use redevelopment that will have restaurant, retail and event space, as well as art space. It will be at the center of the Nine Rails Creative District in Ogden, Utah.

The Ben Lomand Garage was built in 1927 in tandem with the Bigelow Hotel and then was occupied by a variety of businesses, including restaurants and nightlife businesses until 2008. Now it will be restored with restaurant, retail and event space, as well as exhibit and collaborative space and artisan and designer creative studios. The Monarch will be at the center of Ogden's Nine Rails Creative District.

The development is expected to create 160 new, permanent jobs, primarily filled by residents of the low-income community.

Metro QLICI of the Year: Blackburn Building (Eastside Campus)

Oregon has the second-worst rate of prescription opioid abuse in the nation and Portland is ground zero in the region. The Central City Concern's Blackburn Building—also known as Eastside Campus—will help address the issue with services focused on recovery, mental health and primary care in an area with 24 percent of its population living below federal poverty guidelines.



Image: Courtesy of Ankrom Moisan
The Blackburn Building in Portland, Ore., will provide services focused on recovery, mental health and primary care in an area with desperate needs.

The Blackburn Building, which received \$15 million in NMTC allocation from Corporation for Supportive Housing LLC and an \$11.5 million allocation from Low-Income Investment Fund LLC, will provide 51 respite beds, focused on those exiting detoxification centers and emergency rooms. A condominium financing structure also will allow 124 apartments financed with low-income housing tax credit equity.

Six area hospitals combined to raise \$20 million in grant funding for the property, which will allow Central City Concern to serve an additional 2,300 patients per year, reducing health care costs and creating 67 new full-time equivalent permanent jobs.

Continued from page 58

Non-Metro QLICI of the Year: The Yurok Tribal Community Forest and Salmon Fishery Preserve

A remote, forested landscape around the Klamath River in Northern California will become a fishery preserve focused on sustainable forestry, fisheries habitat protection and restoration, and ecosystem services thanks to \$41 million in NMTC allocation from The Opportunity Fund.

The land is located in the heart of Yurok tribal ancestral territory, where for thousands of years, the Yurok Tribe employed natural resource strategies to maintain massive salmon runs. That was removed by traders, residents and the federal government before the property was reacquired by the Yurok Tribe.

This rural non-metro project overcame isolation, a lack of funding sources and other hurdles. It will create, retain and support 554 jobs through its three phases. ♦



Image: Courtesy of Western Rivers Conservancy; Peter Marbach
A remote area on the Klamath River in Northern California will become a fishery preserve for sustainable practices and habitat protection, thanks to a NMTC allocation.

CI
CAPITAL IMPACT
PARTNERS

Your Lender & Partner

A mission-driven Community Development Financial Institution, Capital Impact Partners delivers strategic financing, program incubation, impact investing, and policy advocacy to create social change and financial impact.

A nine-time NMTC recipient, we have financed more than 70 transactions nationally utilizing our \$627 million in allocations.



North Texas Area Community Health Centers, Fort Worth, TX

- ▶ Provided \$4.3 million in debt and a \$6 million NMTC allocation to support construction of a new 33,000 sq. ft. Federally Qualified Health Center
- ▶ 24,000 patients served annually. More than 2/3 of whom are Latino, low-income, and uninsured
- ▶ Located in Medically Underserved Area that has the state's highest infant mortality rates and rates of chronic diseases that exceed those of the rest of the region
- ▶ Created 45 full-time positions and 125 construction jobs
- ▶ Partnered with the Nonprofit Finance Fund and Capital One, N.A.

www.capitalimpact.org