



CIVIC SAN DIEGO'S NEW MARKETS TAX CREDIT PROGRAM

Civic San Diego Economic Growth and
Neighborhood Investment Fund

About Civic San Diego

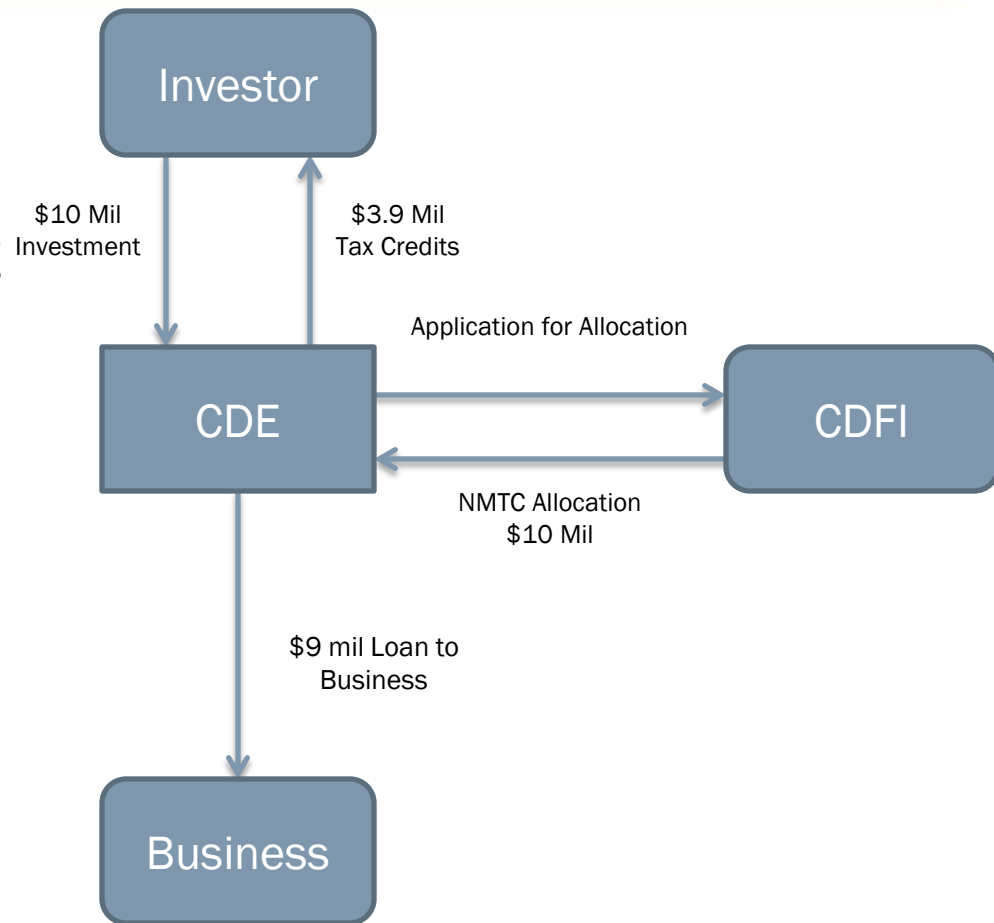
- Civic San Diego is a city-owned non-profit that is the entrepreneurial development partner for targeted urban neighborhoods in San Diego (consolidation of Centre City Development Corporation and Southeastern Economic Development Corporation)
- We manage the wind down of redevelopment activities and also engage in economic development, land use permitting and services, and project management services

About the Economic Growth and Neighborhood Investment Fund

- In 2012, Civic San Diego formed the Civic San Diego Economic Growth and Neighborhood Investment Fund (“Fund”), which is certified by the federal Department of Treasury as a Community Development Entity (“CDE”)
- The purpose of the Fund is to apply for New Markets Tax Credit (NMTC) allocations and to use the tax credits to attract Qualified Equity Investments (QEIs) from investors which are used to provide financing for high impact projects in low-income communities

New Markets Tax Credit Program Overview

- CDE makes application to CDFI Fund for an allocation
- CDFI Fund awards CDE an allocation
- CDE sells tax credits in exchange for an investment
- CDE Loans funds to a Qualified Business
 - Favorable Interest Rates
 - Favorable Loan Terms
 - Minimum 7-Year Term



About the Economic Growth and Neighborhood Investment Fund

- The Fund has received two allocations of NMTCs totaling \$58 Million
- \$23 Million invested in the Copley-Price YMCA facility in City Heights
- Advisory Board has recommended up to \$17 Million for the Family Health Centers of San Diego Tech & Training Facility in Oak Park
 - Currently undergoing due diligence
- \$18 Million in NMTCs available

Examples of Other Projects in San Diego that used NMTCs

- Market Creek Plaza
- Liberty Station
- North Park Theatre
- BioFuels Energy, LLC
- Monarch School
- Lafayette Hotel
- Mercado Del Barrio
- Sharp Medical Hospital
- Gary and Mary West Senior Wellness Center

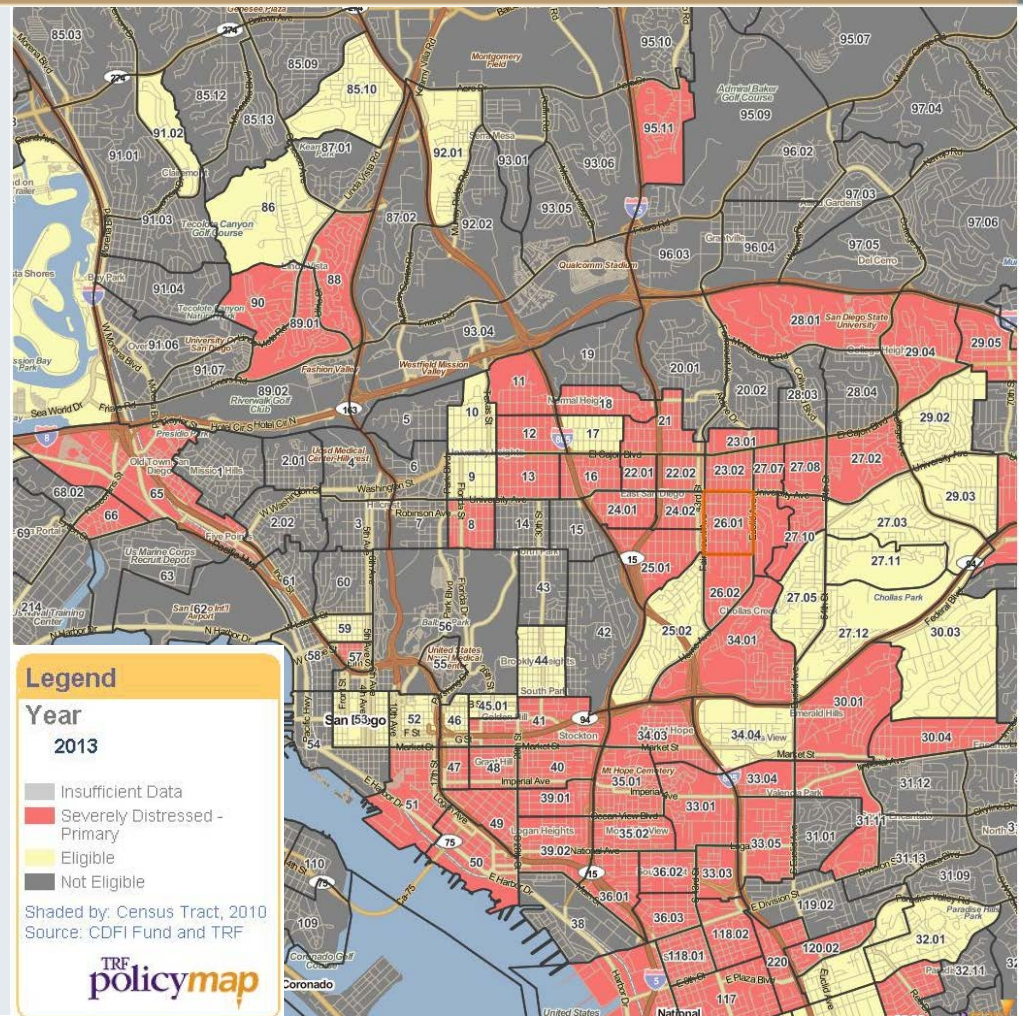
New Markets Tax Credits Investment Criteria

- Borrower can be for-profit or non-profit
- Funds can be for real estate development or to support ongoing operations
 - Community facilities, neighborhood serving retail, job creating business expansion
- Target QEIs in the \$8 - \$20 million range
- Senior debt partner has been identified
- Site control and entitlements in place
- Project located in a high distress area and provides strong community benefit

New Markets Tax Credits Targeted Highly Distressed Census Tracts

A red census tract indicates that the area is “**Severely Distressed**” under the NMTC program based on meeting at least one of the following three criteria:

- Poverty rate of at least 30 percent
or
- Median family income of 60 percent or less of that area’s median family income
or
- Unemployment 1.5 times the national average (average is 7.9%)



New Markets Tax Credits Targeted Community Benefits

- Create living wage jobs accessible to low-income person (LIPs) or residents of low-income communities (LICs)
- Provide commercial or community goods or services to LICs
- Finance minority businesses
- Housing units available to LIPs or residents of LICs
- Environmentally sustainable outcomes
- Healthy food financing

Contact for More Information

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