

WHAT MAKES AN ATTRACTIVE NMTC PROJECT?

New Markets Tax Credits

LEVERAGE IN PLACE

NMTC funding does not provide all of the capital required to complete your project. A good rule of thumb is the NMTC funding will provide about 20-25% of your project's source of funds. The project Sponsor will need to have sourced the remaining 75%-80% of funds. Having the remaining funds secured and verifiable is attractive to the Community Development Entity (CDE) lender.



DEAL READINESS

Showing CDEs that your project has the necessary characteristics to structure a NMTC increases your chances for consideration and being in their deal pipeline. A few ways to show deal readiness include having all sources of funds secured, growth projections, site control and construction diligence for real estate deals and a strong community impact story.



COMMUNITY IMPACTS

Conveying how your project will impact your immediate community is a vital aspect to a strong NMTC deal. This is showcased in a variety of ways, such as providing essential community goods and services, catalyzing additional economic activity, and serving low-income community residence.



JOB CREATION

Job creation is an important aspect of most NMTC projects. Project Sponsors must demonstrate how the NMTC investment will create quality jobs with benefits and wages that are above the living wage standard in their community. Additionally, Sponsors must show how jobs will be accessible to Low-Income People.

