

NMTC Program Projects Financed Through 2006

By Alex Ruiz, Managing Editor, Novogradac & Company LLP

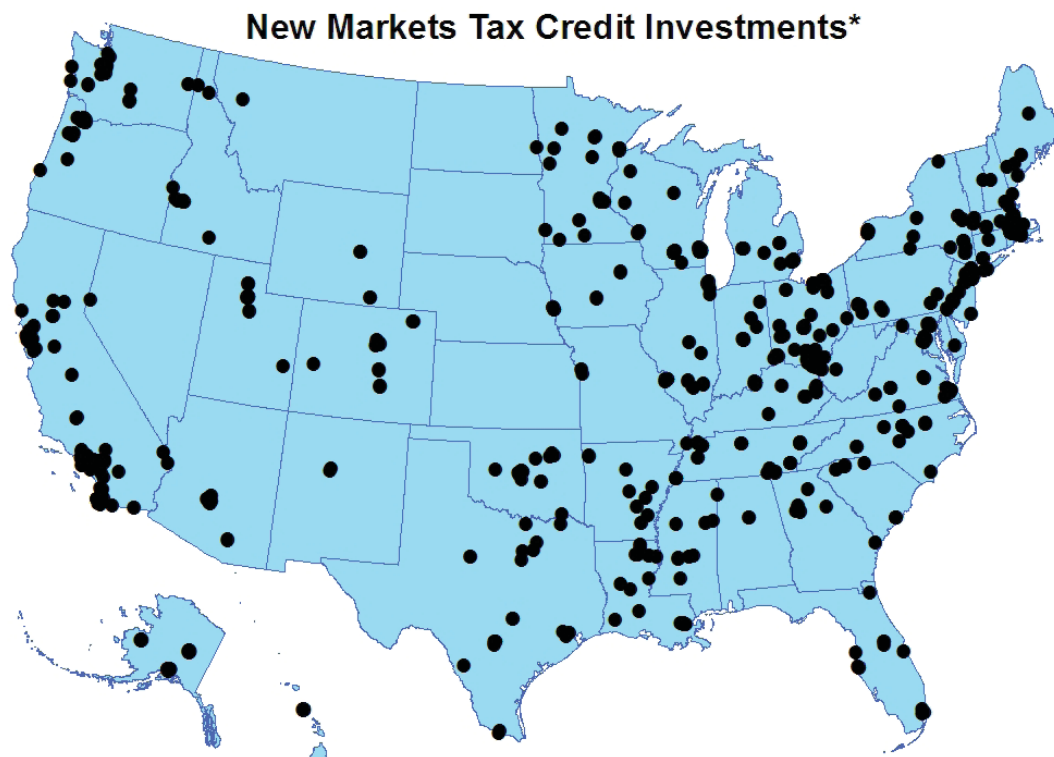
Through the fiscal year 2006 reporting period, community development entities (CDEs) disbursed a total of \$5,448,054,264 to 1,131 different qualified active low-income community businesses (QALICBs) under the New Markets Tax Credit (NMTC) program, according to data released on May 29 by the Community Development Financial Institutions (CDFI) Fund.

The CDFI Fund requires all CDEs that receive NMTC allocations to provide annual reports detailing how the NMTC proceeds were invested in low-income communities. These reports, along with their audited financial statements, are provided by CDEs within six months of the

end of their fiscal years.

The report shows that CDEs used NMTC financing for both real estate developments and operating businesses in low-income communities.

- 943 QALICBs (83.38 percent of total) were located in metropolitan areas. These QALICBs received \$4,989,039,902 in NMTC financing (91.57 percent of total).
- 188 QALICBs (16.62 percent of total) were located in non-metropolitan areas. These QALICBs received \$459,014,362 in NMTC financing (8.43 percent of total).



Source: CDFI Fund, Department of the Treasury

*Location of Qualified Active Low Income Community Businesses (QALICBs) through 12/31/06

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- 550 QALICBs (48.63 percent of total) were real estate QALICBs, where the principal activity is the development or leasing of real estate. These real estate QALICBs received \$3,722,696,891 in NMTC financing (68.33 percent of total).
- 581 QALICBs (51.37 percent of total) were non-real estate QALICBs, or operating businesses. These businesses received \$1,725,357,373 in NMTC financing (31.67 percent of total).

The CDFI Fund reports that the NMTC investments made by CDEs through FY 2006 supported a wide variety of projects, including coal companies, charter schools, health-care facilities, condominiums, timberlands, religious institutions, child-care providers, supermarkets, restaurants, museums, hotels, performing arts centers, pharmacies, convenience stores, manufacturers, processors, distributors, trucking companies, printing companies, waste management companies, sporting goods stores, business incubators, office buildings, shopping centers, substance abuse treatment facilities, car dealerships, florists and recording studios.

A summary report listing all QALICBs financed by CDEs in FY 2006 can be found online at www.newmarketscredits.com by clicking on Reports and Research in the Resources menu or by going directly to www.novoco.com/new_markets/resource_files/reports/nmtc_projects2006QALICBpublic.xls. ❖

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