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National New Markets Fund Closes Tax Credit Financing to Build 85-Plus Habitat for Humanity Homes in Mississippi

Equity Investment by Capital One Supports \$10 Million Low-Income Housing Project in Distressed, Hurricane-Ravaged Communities

JACKSON, MS--(Marketwire - July 21, 2009) - National New Markets Fund, LLC -- a New Markets Tax Credit (NMTC) fund created by Los Angeles-based Strategic Development Solutions (SDS) and Boston-based Economic Innovation International, Inc. -- has closed \$10 million in NMTC allocation to help build more than 85 Habitat for Humanity homes in Mississippi.

The project will provide low-income families in Jackson, Harrison and Hinds counties with safe, affordable, and energy efficient housing. The overwhelming majority of buyers will be first-time homeowners.

Like many parts of Metro Jackson and Mississippi's Gulf Coast region, the area where the new homes will be built was impacted severely by Hurricane Camille in 1969 and again by Hurricane Katrina in 2005. As a result, it suffers from inadequate and unsafe housing. Since Katrina, almost 17% of all Mississippi residents have applied for FEMA assistance, and more than 41,000 units of FEMA temporary housing (travel trailers and mobile homes) were in use statewide following the 2005 hurricanes. As of May 1, 2009, almost 1,800 FEMA units were still occupied.

To qualify for one of the new homes, residents must earn 30-80% of the area median income. The homes will be made affordable through developer and buyer subsidies and 0% interest 30-year mortgages provided through Habitat for Humanity's Metro Jackson and Mississippi Gulf Coast affiliates.

The project includes a significant homebuyer education program, as well as ongoing financial and family life skills training to empower long-term financial stability. Families must also invest 200-500 hours of sweat equity in home construction and/or other community-based volunteer projects. Consistent with the Habitat for Humanity model, all of the new homes will be constructed largely with community volunteer manpower (estimated at 220,000 hours).

The new homes are designed from the ground-up with a very strong focus on environmental sustainability and reducing energy costs. Each home will be constructed and outfitted with Energy Star Certification standard windows, appliances, insulation, heating/cooling equipment, etc. National New Markets Fund is also exploring ways to help the Habitat for Humanity affiliates further boost efficiency by installing rooftop solar panels.

"This project is an excellent match for how our Fund invests New Markets Tax Credits," said Deborah La Franchi, president and co-founder of the \$125 million National New Markets Fund. "It will provide affordable, high quality homes to families in great need, while promoting energy savings and environmental sustainability."

Since 1976, Habitat for Humanity International has built more than 300,000 homes for more than 1.5 million people around the world. The Habitat for Humanity/Metro Jackson affiliate (HFH/MJ) was founded in 1986, and has built more than 430 homes for about 1,400 Mississippi residents in Hinds, Madison and Rankin counties. Over the years, it has become one of the nation's top Habitat for Humanity producers.

"This investment of NMTCs by National New Markets Fund will help us build new homes and keep the prices within reach of local low income families," explained HFH/MJ Executive Director Cindy Griffin.

The 2007 merger between the Habitat for Humanity affiliates in Harrison and Jackson Counties created Habitat for Humanity of the Mississippi Gulf Coast (HFHMGC), which serves all of Harrison, Jackson and Stone counties. The combined affiliate has 300-plus homes built or under construction since Hurricane Katrina.

"New Markets Tax Credits are playing a key role in helping us achieve our goal of building 500 affordable for-sale homes by the end of 2012," added HFHMGC Executive Director Chris Monforton.

The \$10 million Metro Jackson and Gulf Coast project is made possible by capital provided by the two regional Habitat for Humanity affiliates, as well as federal New Markets Tax Credits (NMTCs) provided by National New Markets Fund. Capital One is the tax credit investor in the transaction. The Habitat for Humanity affiliates are investing a total of \$8.2 million to carry out the project.

Belden Hull Daniels, who serves with Ms. La Franchi as co-founder of the National New Markets Fund, commented, "A key focus for National New Markets Fund is to support environmentally sustainable rebuilding in parts of the Gulf Coast devastated by Hurricane Katrina. We believe this large-scale effort to create affordable single family homes accomplishes that goal."

This Habitat for Humanity homes project is just the latest development in the GO (Gulf Opportunity) Zone funded with tax credits from National New Markets Fund. Over the past two years, the Fund has made a \$15 million NMTC investment in the King Edward Hotel Project in downtown Jackson Mississippi, and financed several projects in Louisiana including The National World War II Museum, Ochsner Baptist Medical Center, the Hammond Square Mall and Second Line Stages film studio -- which was recently named Best Tax Credit Financed Project in the Nation by the Council of Development Finance Agencies (CDFA).

Created in 2000, the New Markets Tax Credit (NMTC) Program is administered by the US Treasury Department's Community Development Financial Institutions Fund (CDFI Fund). The program serves as a catalyst for private capital investment in urban and rural low-income communities by allowing investors to receive a credit against federal income taxes for equity investments in designated Community Development Entities (CDEs). To date, the CDFI Fund has made 364 awards totaling \$19.5 billion in allocation authority.

About the National New Markets Fund

The National New Markets Fund, LLC (the "Fund") invests in real estate projects in targeted low-income communities nationwide. Its mission is to provide funding and technical assistance for projects that foster job creation and overall economic and social development. The Fund consists of \$125 million in New Markets Tax Credit (NMTC) Allocations awarded by the U.S. Department of the Treasury. Investments are currently focused in the South and California's Central Valley. The Fund was created in 2005 as a partnership between Los Angeles-based Strategic Development Solutions (SDS) and Boston-based Economic Development International. SDS was founded in 2001 by Deborah La Franchi, and has become a market leader in the creation of Double and Triple Bottom Line private equity and real estate funds. Economic Innovation International, Inc. was founded in 1970 by Belden Hull Daniels, and is recognized internationally for building more than \$100 billion of privately capitalized, innovative institutions that generate wealth and high quality jobs. More information about National New Markets Fund is available at www.SDSgroup.com/nnmf-project-list.html.

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