

## Application: New Markets Tax Credit Financing

**INSTRUCTIONS:** Please use as much space as you need to answer each question. You may enter your information directly on this form, and append additional sheets as necessary. If you have questions, call 651-312-3554 or email [BremerCDE@Bremer.com](mailto:BremerCDE@Bremer.com).

### A. Executive Summary

#### 1. Project Name:

#### 2. Project Description:

Provide a short, 1-2 paragraph narrative that describes the project, its surrounding community, and its anticipated community and economic impacts. *(Note: Impacts discussed in this section should be summarized. A later section will ask you to discuss specific anticipated community impacts.)*

## B. Project Location & Distress Criteria

1. Street Address:

2. City:

3. State:

4. 5-Digit Zip:

5. 11-digit Census Tract Code:

6. Community Type:

<b>Major Urban Area</b> Total urban/suburban population > 1 million	<b>Minor Urban Area</b> Total urban/suburban population < 1 million	<b>Rural Area</b> Census tracts designated as non- metropolitan, outside of a MSA
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## B. Project Location & Distress Criteria (*continued*)

### 7. Community Distress Criteria (using 2010 Census Data):

To be eligible for New Markets Tax Credit (NMTC) financing, the business must be located in a Low Income Community, defined as a Census Tract with a poverty rate of at least 20%, or a median family income of less than 80% area median, *using 2010 Census data* (until updated by the CDFI Fund). The following information is also required to determine if the Census Tract is characterized by additional distress criteria. **Please mark those criteria that apply to the project location. Supporting documentation of each selected criteria is required.**

Poverty rate in the Census tract is 30% or more.
Median family income in the Census Tract is 60 % or less than area median family income.
Unemployment rate in the Census Tract is equal or greater than 1.5 times the national average.
Project is located in a FEMA-designated "major disaster declaration" since 8/15/07 AND the county is eligible for both individual and public assistance, provided that the initial investment will be made within 24 months of the disaster declaration.
Project is located in a federally-designated Empowerment Zone, Enterprise Community or Renewal Community.
Project is located in a SBA-designated HUB Zone, and is it a HUB Zone certified business and the investment will support businesses that obtain HUB Zone certification from SBA.
Project is located in a federally-designated Brownfields Redevelopment Area (as defined under 42 U.S.C. 9601(39)).
Project is encompassed by a HOPE VI Redevelopment Plan.
Project is located in a federally-designated Native American or Alaskan Native area, Hawaiian Homeland, or redevelopment areas designated by the appropriate Tribal or other authority.
Project is located in an area designated as distressed by the Appalachian Regional Commission or Delta Regional Authority.
Project is located in a Colonias area as designated by the U.S. Department of Housing and Urban Development.
Project is located in a federally-designated medically underserved area, and the investment will support health related services.
Project is located in a High Migration Rural County (defined as any county which, during the 20 year period ending with the year in which the most recent census was conducted, has a net out-migration of inhabitants from the county of at least 10% of the population of the county at the beginning of such period).
Project is located in a State or local Tax Increment Financing (TIF) district, Enterprise Zone, or any other State or local program for particularly economically distressed areas (indicate which areas).
Project is located in a Non-Metropolitan county.
As permitted by IRS and related CDFI Fund guidance materials, the project will serve Targeted Populations such that: (a) at least 50% of the entity's gross income is derived from transactions with low-income persons or (b) at least 40% of the entity's employees are low-income persons or (c) at least 50% of the entity is owned by individuals who are low-income persons (earning less than or equal to 80% of area median family income).
Project is certified by the Department of Commerce as eligible for assistance under the Trade Adjustment Assistance for Firms (TAA) Program.
Project is located in a Census tract identified as a Food Desert under the Healthy Food Financing Initiative definition, to the extent QLICI activities will increase access to healthy food.

## C. Qualified Active Low-Income Community Business (QALICB) Profile

### 1. Owner / QALICB Name:

### 2. QALICB Qualification:

Qualifying businesses must meet the following criteria:

- At least 40% of the QALICB's tangible property must be located within a low-income community.
- At least 50% of the QALICB's revenue must be derived from activity performed within a low-income community.
- At least 40% of the QALICB employees' services are performed within a low-income community.
- The following businesses are prohibited under the NMTC program: massage parlor; hot tub facility; suntan facility; country club; racetrack or other facility used for gambling; store whose principal purpose is the sale of alcoholic beverages for consumption off-premises; development or holding of intangibles for sale; private or commercial golf course.
- Income from rental of residential real estate may not account for more than 80% of the QALICB's revenues.

**Based on the above criteria**, do you believe your proposed business/project is a Qualified Active Low-Income Community Business (QALICB)?

**Yes**

**No**

### 3. QALICB Status:

Existing

To Be Created

### 4. QALICB Business Type:

What type of business is the QALICB?  
(e.g., Real Estate Special Purpose Entity, operating business, etc.)

### 5. QALICB Organization Type:

What type of organization is the QALICB?  
(e.g., Corporation, LLC, Partnership, etc.)

**C. Qualified Active Low-Income Community Business (QALICB) Profile**  
*(continued)*

**6. QALICB Development Team:**

Please describe the members of your development team and their applicable experience.

## D. Community Impacts

### 1. Community Impact Summary:

Describe in detail the community impact that will result from this project in terms of the following:

- Estimated temporary (construction) and permanent job creation and retention
- Job training programs
- M/W/DBE/veteran targets for construction and/or permanent jobs
- Employment benefits such as living wage, health care, retirement savings, etc.
- Expansion of goods and services available to the low-income community
- Expansion of educational and/or cultural amenities available to the low-income community
- Other impacts, if any

*Submit or attach supporting documentation if applicable.*

## **D. Community Impacts (*continued*)**

### **2. Community Development Activity:**

Describe in detail other development activity in the community, including:

- Is this project one of the only new developments in the area?
- Is the project part of a larger, comprehensive revitalization plan?
- How will this project influence development in the area?
- Does the project have government and local community support?

**D. Community Impacts (continued)**

**3. Housing Components (if applicable):**

If your project has a residential housing component, will at least 20% of the housing units developed or rehabbed as a result of the NMTC investment be rented to – and at rates affordable to – Low-Income Persons (80% AMI)?

**Yes**

**No**

**n/a**

**4. Other Community Impacts:**

If applicable, provide a narrative describing other types of community impact, including:

- LEED certification, or other sustainable resource, “green” features
- Environmental remediation
- Impact on minority populations
- Impact on neighborhood stabilization
- Other community impacts, if any

## E. Financial Profile

In addition to completing the following financial information, please include a **Sources and Uses Budget** and **Projected Operating Budget** of the project.

### 1. Total Project Cost:

### 2. Requested NMTC Financing (QEI Amount):

### 3. NMTC Need:

Please explain why this project needs NMTC financing. (e.g., Budget gap, inadequate state/local government support, land constraints, high rental rates, etc.)

### 4. Other CDE or NMTC Involvement:

Have other sources of NMTC allocation been sought?

**Yes** (If selected, please answer the following question)

**No** (If selected, you may skip the following question)

If "Yes" above, please explain why the other CDEs were unable to fully fund the project.

### 5. Feasibility:

Would this project be feasible without NMTC allocation?

**Yes** (If selected, you may skip the following question)

**No** (If selected, please answer the following question)

If "No" above, please explain.

**E. Financial Profile (continued)**

**6. List Other Sources of Financing:**

	<b>Type</b> Gap or net benefit required from NMTCs (e.g., debt, grant, equity, other tax credits, etc.)	<b>Source</b>	<b>Amount</b>	<b>Status*</b> Select from the drop-down list.
a.				
b.				
c.				
d.				
e.				
f.				
g.				

\* To establish the how soon the project can begin, please use the following status categories:

- Dispersed: Funds have been given to the borrower and distributed for use.
- Committed: The borrower has received a legally binding commitment from the lender.
- Term Sheet: Financing is contingent on approval & verification of assumptions and is not yet legally binding.
- Application Pending: Borrower has submitted a request for financing but not yet received a decision.
- Estimate: An informal, preliminary estimate of available funds.
- Other: Attach an explanation

**7. Conditions Associated with Other Sources of Financing**

Please describe any relevant timing or conditions related to each source of financing listed above.

**E. Financial Profile (*continued*)**

**8. Transaction Close Dates**

Earliest:

Latest:

**9. Transaction Timing Factors**

Please describe any factors that might affect the timing of the closing.

**10. Leverage Source**

Which of the sources is anticipated to be the leverage source?

Has the leverage source(s) agreed to provide financing through the NMTC structure?

**Yes**

**No**

What entity is anticipated to be the leverage lender?

## F. Contact Information

1. Date Submitted:

2. Application Completed By:

3. Relation to Project:

4. Contact Person for Follow-Up:

5. Relation to Project:

6. Contact Person Telephone (indicate work, home, mobile or other):

7. Contact Person Fax:

8. Contact Person Email Address:

## G. Checklist

**Please verify that your application has been filled out thoroughly and completely using this checklist.** Supporting materials may be required, and may be provided to Bremer CDE as separate documents accompanying the application form.

<b>Application</b> Completed application form
<b>Distress Criteria Materials</b> If applicable, attach supporting materials to support the information provided in section B. Project Location and Distress Criteria
<b>Community Impacts Materials</b> Attach supporting materials to support the information provided in section D. Community Impacts
<b>Sources and Uses Budget</b> As noted in section E. Financial Profile, attach a pro forma Sources and Uses Budget
<b>Operating Budget</b> As noted in section E. Financial Profile, attach a pro forma Operating Budget
<b>Debt Term Sheet(s) or Commitment Letter(s)</b> If other sources of financing are noted in section E. Financial Profile, please attach copies of the debt term sheets or commitment letters

**To submit your completed application, please call 651-312-3554 for further instructions.**

Thank you for your interest in New Markets Tax Credit financing with Bremer CDE, LLC.