

# New Markets Tax Credits

## Indianapolis CDE Application Intake Form

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Thank you for your interest in New Markets Tax Credits (NMTC) and the Indianapolis Redevelopment CDE (Indy CDE). The CDFI Fund, a U.S. Department of Treasury division, administers the NMTC program nationally. Indy CDE administers the NMTC program on behalf of the City of Indianapolis. Indy CDE has over ten years of experience deploying New Markets Tax Credits to eligible businesses and nonprofit organizations. The NMTC incentive facilitates the deployment of private capital to historically under-invested areas of Indianapolis by offering more favorable terms and conditions than the market typically offers. Terms can include lower interest rates, a seven-year interest-only payment period, flexible provisions such as subordinated debt, lower origination fees, higher loan-to-values, lower debt coverage ratios, and longer maturities.

The NMTC Program has supported businesses and nonprofits working in various areas, including manufacturing, food, retail, housing, health, technology, energy, education, and childcare. Communities benefit from the jobs associated with these investments and from enhanced community facilities and commercial goods and services.

Since 2003, the NMTC Program has generated significant positive outcomes within distressed communities, creating or retaining more than 830,000 jobs nationwide. It has also supported the construction of 56.7 million square feet of manufacturing space, 94.5 million square feet of office space, and 67.2 million square feet of retail space. Indy CDE has supported the acquisition and construction/rehab of 372,828 square feet of industrial, commercial, and community facility space. These investments often serve as a first step in catalyzing a ripple effect that spurs further investments and revitalization.

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### Working with Indy CDE

**Indy CDE is committed to creating meaningful opportunities for education, employment, health, culture, and wellbeing that are accessible to individuals in low-income communities.**

Indy CDE is also committed to supporting our project partners throughout the NMTC process. Support includes leveraging additional City and local resources, navigating the closing process, and general technical guidance.

Because Indy CDE is an entity controlled by the City of Indianapolis, we can offer additional benefits such as City incentives, grant programs, or access to City-owned land.

To learn more about the New Markets Tax Credit program, Indy CDE, or the application process, please visit <https://indycde.org/> or contact Render Thomas, Program Manager for Federal Incentives, at [render.thomas2@indy.gov](mailto:render.thomas2@indy.gov).

### Our Application Process

Indy CDE strives to make the application process as simple as possible for prospective partners:

**Step 1:** Determine if your project meets basic eligibility requirements. Basic eligibility requirements can be found at <https://indycde.org/>, or you can reach out to Indy CDE staff for assistance.

**Step 2:** Complete an intake form. The intake form allows the Indy CDE to assess the following about your project:

- Eligibility
- General Project Information
- Community Impact
- Financial Feasibility
- Alignment with Indy CDE and City of Indianapolis priorities

**Step 3:** Submit the form. Once an intake form has been submitted, Indy CDE will contact the applicant within five business days to discuss the proposal and next steps.

*\*Please note that submitting an intake form does not guarantee NMTC financing from Indy CDE.*

# Indianapolis Redevelopment CDE

## Intake Form

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Please send the completed Intake Form to Render Thomas, Program Manager for Federal Incentives, at [render.thomas2@indy.gov](mailto:render.thomas2@indy.gov).

A glossary at the end of the intake form provides definitions and information about terms that appear in the document.

**Project Name:**

**Project Address:**

**City, State, Zip:**

**Sponsor:**

**Point-of-Contact:**

**Title:**

**Email:**

**Phone Number:**

**Website:**

**Sponsor Address:**

**Please provide a detailed description of your project:**

## Eligibility Criteria

To obtain the following information, click the link below to access an interactive map. Please note that these data are measured by census tract for eligibility purposes.

<https://www.policymap.com/widget?sid=117&wkey=4D2AFE10710D41918F180775F0A353F2>

Percent of people in poverty  
for project census tract:

Project address:

City, State, Zip:

Please check all that apply to your project's location:

|   |     |    |            |
|---|-----|----|------------|
| Brownfield as defined under 42 U.S.C. 9601  | Yes | No | Don't Know |
| Federally designated Medically Underserved Area   | Yes | No | Don't Know |
| State or local Tax-Increment Financing District   | Yes | No | Don't Know |
| Community Revitalization Enhancement District   | Yes | No | Don't Know |
| IndyEast Promise Zone   | Yes | No | Don't Know |
| Opportunity Zone  | Yes | No | Don't Know |
| HUB Zone certification by the SBA   | Yes | No | Don't Know |
| HOPE VI Redevelopment plan  | Yes | No | Don't Know |
| A Business certified by the Department of Commerce<br>as eligible for assistance under the Trade Adjustment<br>Assistance (TAA) Program | Yes | No | Don't Know |
| Food Desert   | Yes | No | Don't Know |
| Does your project include a housing component?  | Yes | No | Don't Know |

## Project Information

Does the project sponsor have site control of the project location?

Please select all that apply to your organization:

- Minority-Owned Business
- Woman-Owned Business
- Veteran-Owned Business
- Disability-Owned Business Enterprise

Organization Structure:

- Non-profit Organization
- For-profit Business

Estimated Cost of Project:

NMTC Request:

Estimated Project Start Date:

Estimated Project  
Completion Date:

## Community Impact

Please check all community benefits your project will generate.

- Job creation
- Promising/Good/Quality job creation
- Accessible jobs
- Commercial goods and services available to low-income people
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- Commercial goods and services available to low-income people
- Commercial goods and services available to low-income people
- Commercial goods and services available to low-income people
- Community goods and services available to low-income people
- Demonstrated support from community stakeholders

## **Project Financing**

### **Sources and Uses**

Please provide details on the project's sources (including non-NMTC sources such as commercial loans, TIF, grants, cash-on-hand, etc.) and uses of funds. If available, please attach any pro formas or budgets you currently have.

Please describe the timing of all funding sources needed, including the status of being committed, pending, dates of likely approval, and expenditure deadlines.

What impacts would there be on the project if you cannot secure NMTC Financing?

Please describe any previous experience your development team has with NMTC financing.

Are there partners in this project, such as service providers, co-developers, tenants, etc., for which project success or financing is dependent or crucial?

## Community Outcomes

### Job Creation

Please quantify, as best as possible, the total number of jobs that this project will directly create. Include temporary (construction) jobs as well.

|               | Created | Retained |
|---------------|---------|----------|
| Full-Time     |         |          |
| Part-Time     |         |          |
| Construction* |         |          |

*\*To calculate construction jobs, divide the number of construction hours worked by 2,080.*

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### Good/Quality/Promising Jobs

|   | Full-Time | Part-Time |
|---|-----------|-----------|
| Jobs Paying \$14.17-\$17.99/hr, w/ benefits |           |           |
| Jobs Paying Over \$18.00/hr, w/ benefits    |           |           |

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### Accessible Jobs

Please quantify, as best as possible, the number of accessible jobs that this project will directly create.

|                               | Created | Retained |
|-------------------------------|---------|----------|
| Less Than High School Diploma |         |          |
| High School Diploma           |         |          |
| Other                         |         |          |

*\*To calculate construction jobs, divide the number of construction hours worked by 2,080.*

If 'Other' was selected, please identify the types of individuals these jobs would be available to and whether or not your project will specifically target these individuals for employment. Examples include individuals with justice system involvement, persons living with disabilities, etc.

### **Commercial Goods and Services to Low-Income People**

Quantify and describe the extent to which the Project will increase the provisions of commercial goods or services to residents of low-income communities (LICs) or low-income people (LIPs), the types of commercial goods and services (e.g., access to retail, restaurants, or pharmacies, etc.) expected to be provided, and how residents of LICs or LIPs will benefit.

### **Community Goods and Services to Low-Income People**

Quantify and describe how the project will increase access to high-quality community goods or services for residents of LICs or LIPs (e.g., healthcare, social services, educational, cultural, etc.)

## Glossary of Terms

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### Community Development Entity (CDE)

Under IRC §45D(c)(1), any domestic corporation or partnership if: (1) The primary mission of the entity is serving or providing investment capital for Low-Income Communities or Low-Income Persons; (2) The entity maintains accountability to residents of Low-Income Communities through their representation on any governing board of the entity or any advisory board to the entity; and (3) The entity is certified by the CDFI Fund as a CDE. In addition, specialized Small Business Investment Companies (SSBICs) and Community Development Financial Institutions (CDFIs) are deemed to be CDEs in the manner set forth in guidance published by the CDFI Fund (66 Federal Register 65806, December 20, 2001).

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### Disadvantaged Business

A business that is (a) located in a Low-Income Community; (b) Low-Income Person-owned or -controlled; or (c) a business that has inadequate access to investment capital.

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### Disadvantaged Community

This term has the same meaning as a Low-Income Community.

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### Food Desert

A low-income census tract where a substantial number or share of residents has low access to a supermarket or large grocery store. Census tracts qualify as Food Deserts if they meet low-income and low-access thresholds established by the USDA and can be found using the Food Access Research Atlas at <http://www.ers.usda.gov/data-products/food-access-researchatlas.aspx>

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### FTE

A full-time equivalent (FTE) is at least a 35-hour work week.

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### Good/Quality job

A job that pays \$18/hr. Or more and provides health benefits.

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### Low-Income Community (LIC)

Under IRC §45D(e)(1), any population census tract if (1) The poverty rate for such tract is at least 20 percent, or (2) (a) In the case of a tract not located within a metropolitan area, the median family income for such tract does not exceed 80 percent of statewide median family income, or (b) in the case of a tract located within a metropolitan area, the median family income for such tract does not exceed 80 percent of the greater of statewide median family income or the metropolitan area median family income. With respect to IRC §45D(e)(1)(B), possession-wide median family income shall be used (in lieu of statewide income) in assessing the status of census tracts located within a possession of the United States. Under IRC §45D(e)(2), Targeted Populations will also be treated as Low-Income Communities. See IRS Notice 2006-60. Under IRC §45D(e)(3), in the case of an area that is not tracted for population census tracts, the equivalent county divisions (as defined by the Bureau of the Census for purposes of determining poverty areas) shall be used for purposes of defining poverty rates and median family incomes. See IRC §45D(e) for additional criteria.

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**Low-Income Person** Any individual having an income, adjusted for family size, of not more than: (1) For metropolitan areas, 80 percent of the area median family income; and (2) For non-metropolitan areas, the greater of (a) 80 percent of the area median family income or (b) 80 percent of the statewide non-metropolitan area median family income

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**Low-Income Person-owned or Low-Income Person-controlled** For-profit entity: A for-profit entity with at least 51 percent of its equity ownership (or the equivalent in limited liability companies) interest is owned by one or more Low-Income Persons.

Not-for-profit entity: A not-for-profit entity with at least 51 percent of its Board of Directors (i.e., Governing Board) comprised of individuals who are Low-Income Persons.

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**Minority-owned or Minority-controlled** A Minority-owned or Minority-controlled entity is a: a. Minority-owned for-profit entity: A for-profit entity that is not an MDI and that has at least 51 percent of its equity ownership (or the equivalent in limited liability companies) interest being owned by individuals who identify themselves as Asian, Black or African American, Hispanic or Latino, or Native Hawaiian or Other Pacific Islander; b. Minority-controlled not-for-profit entity: A not-for-profit entity with at least 51 percent of its Board of Directors (i.e., Governing Board) comprised of individuals who identify as Asian, Black or African American, Hispanic or Latino, Native Hawaiian or Other Pacific Islander; or c. Minority Depository Institution (MDIs): An entity that the FDIC designates as a Minority Depository Institution. The CDFI Fund will rely on the categories established by the 1997 Office of Management and Budget (OMB) standards to define Asian, Black or African American, Hispanic or Latino, and Native Hawaiian or Other Pacific Islander.

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**Operating Business** Any business whose principal activity (i.e., activity that generates more than 50 percent of the business's gross income) does not include the development (including the construction of new facilities and rehabilitation/enhancement of existing facilities), management, or leasing of real estate.

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**Project Sponsor** An entity that owns or Controls the QALICB

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**Promising Job** An entry-level job that does not meet *good job* criteria but leads to a *good job* within ten years.

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**Qualified Active Low-Income Community Business (QALICB)**

Under IRC §45D(d)(2), any corporation (including a nonprofit corporation) or partnership if for any taxable year: (1) At least 50 percent of the total gross income of such entity is derived from the active conduct of a qualified business within any Low-Income Community; (2) A substantial portion of the use of the tangible property of such entity (whether owned or leased) is within any Low-Income Community; (3) A substantial portion of the services performed for such entity by its employees are performed in any Low-Income Community; (4) Less than 5 percent of the average of the unadjusted aggregate bases of the property of such entity is attributable to collectibles (as defined in IRC §408(m)(2)) other than collectibles that are held primarily for sale to customers in the ordinary course of such business; and (5) Less than 5 percent of the average of the unadjusted aggregate bases of the property of such entity is attributable to nonqualified financial property (as defined in IRC §1397C(e)). Please refer to the NMTC Program Income Tax Regulations at 26 CFR 1.45D-1(d)(4) for more information.

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**Restricted NMTC Business Activities**

1. Certain businesses that engage in the rental of real property, if: a. The property is residential rental property as defined by IRC §168(e)(2)(A), or b. There are no substantial improvements on the property or c. A lessee of the real property is an excluded business as described in 2(b) below. 2. Specific businesses and activities excluded under Treasury Regulation §1.45D-1(d)(5)(ii) and listed below: a. Trades or businesses consisting predominantly of the development or holding of intangibles for sale or license. b. Trades or businesses consisting of the operation of any private or commercial golf course, country club, massage parlor, hot tub facility, suntan facility, race track, or other facility used for gambling, or any store for which the principal business is the sale of alcoholic beverages for consumption off the premises. Farming (within the meaning of IRC §2032A(e)(5)(A) or (B)) if, as of the close of the taxable year of the taxpayer conducting such trade or business, the sum of the aggregate unadjusted basis (or, if greater, the fair market value) of the assets owned by the taxpayer that are used in such trade or business, and the aggregate value of the assets leased by the taxpayer that are used in such trade or business, exceeds \$500,000. Two or more trades or businesses will be treated as a single trade or business under rules similar to the rules of IRC §52(a) and (b).

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**Targeted Population**

As defined in 12 U.S.C. 4702(20) and 12 C.F.R. 1805.201, the term “targeted population” means individuals, or an identifiable group of individuals, including an Indian Tribe, who (A) are Low-Income Persons; or (B) otherwise lack adequate access to loans or investments.

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