Show Me the Money! Tools and Approaches to Build the Capital Stack

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Hibernian Hall - Boston (Roxbury)  
Arts and Culture Facility  

- CDC developer/owner  
- CDFI/CDE financing  
- $600,000 in debt financing  
- $6.3 mm in NMTC  
- $500,000 in Historic TC’s  
- Restaurant/retail  
- Practice/performance space  
- Event space
Types of Tax Credits and Other Capital Incentives

- Historic Tax Credits (HTC) - 20% credits
- NY Historic Tax Credits (NY/HTC) - 20% credits ($5mm cap)
- New Markets Tax Credits (NMTC)
- Low Income Housing Tax Credits (LIHTC)
  - 4% credits
  - 9% credits
- CDFI Fund - Financial Assistance, Bond Program, Capital Magnet Program
- Federal Home Loan Bank of New York Affordable Housing
- EB5
- EDA
- CDBG/HOME/Section 108
- USDA - Rural Development
How NMTC program works

New Markets Tax Credit Program

- CDFI Fund
- Tax Allocation
- EQUITY (QE I)
- Investor
- Tax Credit
- Loans or Investments (QLICI)
- Qualified Business (QALICB)
- Community Development Entity (CDE)
Mill One – Hamilton, NJ

- Isles Inc. - Mill One Project
- Redevelopment of 300,000 s.f. deteriorating mill into a “sustainable urban village”
- Project consists of business incubator, arts hub, training center, residential lofts, neighborhood retail and headquarters for Isles operations
- Located near Hamilton Township train station on the Northeast Corridor line
Isles Inc. - Mill One

1. "One Egg" Business Incubator Center
2. Lofts@Mill One
3. Isles Headquarters
4. Artists Studios & Galleries
5. Café & Shops
6. Community Action Research & Design Center (CARD)
7. Isles Training & Education Center
Mill One

- $15 million project
- 50 housing units – studios, one bedroom, two bedroom – all affordable
- NMTC value in subsidy – approximately $3.75 million.
- Local/State affordable housing subsidies added
Local/Regional Development Finance Ecosystem

1. Identify your players, convene your team, define roles

2. Conduct a capital audit - what’s available and working.

3. Build your prospect pipeline of projects and businesses (criteria such as: project readiness, infrastructure needed, ability to leverage other funding, catalytic impact, cost/benefit analysis, job creation, community support).

4. Prepare for each project (pro forma development, gap identification, project profile).

5. Define local role (e.g. TIF, abatements, New Markets Tax Credits, CDBG and Section 108)

6. Research investors and build relationships - what do they want, term sheets

7. Make the case by creating and telling your story with market specific information (e.g. site proposal, costs, potential ROI and market data to support project). Specifically, create an Investment Prospectus for each Opportunity Zone.
Resources - Mapping and Data

• Council for Development Finance Agencies (CDFA): www.cdfa.net
• Novogradac: www.novoco.com
• Enterprise Foundation: opportunity360.org
• Policy Map: www.policymap.com
• CDFI Fund: www.cdfifund.gov
For more information:

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