

New Markets Tax Credit (NMTC) Program Evaluation

Community Development Entities (CDE)

Case-Style Telephone Discussion Guide

11/25/09

The Community Development Financial Institutions, or CDFI, Fund at the Treasury Department is interested in understanding the benefits that the New Markets Tax Credit program brings to communities. To learn more, the Fund has contracted with the Urban Institute, a non-profit research organization based in Washington, DC, to conduct an evaluation of the New Markets Tax Credit program.

One of the projects that your organization supported with New Markets Tax Credits, along with many other projects supported by other CDEs, was selected at random for inclusion in our program evaluation. That's the reason for the call today. My primary goal is to learn about your specific experiences with (NAME Project).

Your participation in this call is voluntary but it's very much appreciated. Your experiences will contribute to a better understanding of how the New Markets Tax Credits program is working.

I'd like to emphasize that what we're doing is neither a regulatory review nor an audit of your project but, rather, a source of additional information that will assist us in better understanding the New Markets Tax Credit program. We're focusing on how projects are structured and what they produce. So, we have some questions about (NAME project)'s characteristics, funding, and outcomes.

Finally, I want to assure you that we're following strict rules regarding use of the information you provide. The CDFI Fund will not know who is participating in the calls we're making. The information you give us will be combined with information we receive from all others we talk with. Neither your name, your organization's name, the project's name, nor any other identifying information will be passed along to the CDFI Fund or others, nor will the information you provide be cited or reported in any way that would identify you, your organization, or your project.

Thanks for completing the information sheet I sent to you earlier. It provided background to help me be more efficient in this call. I anticipate that the call will last approximately one hour. As we synthesize and analyze the information you share, it would help us to record this call. Again, this recording would only be used by us and not shared with anyone else. Would that be alright with you? Again, I very much appreciate your cooperation.

This survey has been approved by the Office of Management and Budget, as required by the Paperwork Reduction Act of 1995, under OMB control number XXXX-XXXX, which expires on XX/XX/XXXX. The time to complete this information collection and an associated telephone interview is estimated to be 1.25 hours, including time to review instructions, search existing data resources, gather needed data, and complete the survey and interview. If you have any comments concerning the accuracy of the time estimate or suggestions for improving this survey, please write to U.S. Department of the Treasury, Community Development Financial Institutions Fund, XXXXXXXXX, Washington, DC XXXXX.

A. BACKGROUND ABOUT [NAME QUALICB] and [NAME Project]

- **Type of organization (controlling entity of (NAME QALICB), if applicable—not the characteristic of a special legal entity set up to receive the NMTC tax credits**
 - **Name commonly used to refer to (NAME project)**
 - **Description of (NAME project)**
 - **Description of the neighborhood or area in which (NAME project) is located**
 - **Origin and history of (NAME project)**
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B. PROJECT INTITATION AND IMPLEMENTATION

- **How (NAME project) originally came to the attention of the (NAME CDE)**
 - **What made (NAME project) attractive to the CDE?**
 - **Is (NAME project) part of any broader community or economic development effort?**
 - **Status of (NAME project) (e.g., complete)**
 - **Description of (NAME project) site at the time of the NMTC investment—immediately before (NAME project) was started.**
-

C. PROJECT FINANCING *[Walk through the information previously provided by the CDE in the “CDE Information Sheet” to ensure project financing arrangements are fully understood.]*

- **Sources and amount of financing**
- **Sequence of obtaining pledges for financing from the various sources**
- **Tax abatements or deferrals**
- **Investors**
- **Financing compared to other (i.e., both non-NMTC and NMTC) projects or transactions of the (NAME CDE)**

- **(NAME CDE's) expectations with respect to profitability—compared with investments in similar projects not involving NMTCs or other forms of public support**
 - **(NAME CDE's) expectations/plan to cover costs and make a profit on the project**
-

D. ROLE OF NMTCs

- **Role of NMTCs in the financing package for (NAME project)**
 - **Leveraging: Money NMTCs brought into the deal that had not previously, or would not otherwise have been, committed**
 - **Conventional financing (i.e., financing from a for-profit entity—such as a bank, a finance company, or an equity investor—that provides funds for its businesses purposes without a public subsidy and not because it has an economic-development mission):**
 - **Had (NAME QALICB) applied for conventional financing for (NAME project) prior to NMTCs becoming part of (NAME project)? Why or why not? What happened?**
 - **Availability/likelihood of other financing to replace some or all of the NMTC-related financing *if NMTCs had not been available* at the time.**
 - **What likely would have happened if (NAME project) had not received NMTCs.**
-

E. PROJECT OUTCOMES

- **Goals for (NAME project) at the time of project initiation**
- **General market conditions in the neighborhood or area of (NAME project) at the time of the initial NMTC investment**
- **Level of distress of the neighborhood or area of (NAME project) today, and reasons for change (if any)**
- **Likely investment future of the neighborhood or area of (NAME project) since it was completed—compared to before the project was started**
- **(NAME CDE's) procedures for tracking of project outcomes**
 - **Evaluation or economic impact analysis since the project has been completed?**
 - **Community Benefit Agreement for the project?**

Financial performance of (NAME project):

- **Annual gross revenue at the time NMTC loan/investment was made**
- **Annual gross revenue for the most recent reporting period**
- **Annual profits or losses for most recent reporting period**
- **Amount of outstanding loans and investments for the most recent reporting period**
- **[For small businesses]: Change in credit score improved since initiation of project?**

- **Loan performance**
 - **Delinquencies**
 - **Defaults**
 - **Workout arrangements**

- **Is (NAME QLICB) still in business, operating? Any ownership changes?**

- **Employment outcomes—jobs created or saved by (NAME project)**
 - Number of full-time equivalent (FTE) jobs at start of (NAME project)
 - Number of full-time equivalent (FTE) jobs as of the most reporting period
 - Number of newly created jobs in the following categories:
 - Permanent jobs
 - Temporary, seasonal jobs
 - Construction jobs
 - Jobs at (NAME project's) tenants' businesses or organizations
 - Jobs saved (i.e., number of *pre-existing* jobs that would have been lost if not for (NAME project) having been financed and completed):
 - Permanent jobs
 - Temporary, seasonal jobs
 - Construction jobs
 - Jobs at (NAME project's) tenants' businesses or organizations

- Of newly created *or* saved **permanent** jobs, approximate percentage in the:
 - Entry level/low wage category
 - Mid-level/mid wage category
 - Management/professional category
 - Other (specify)?
- Of newly created or saved **permanent** jobs, approximate percentage filled by:
 - Residents of (NAME project's) neighborhood/area
 - Minorities
- Approximate proportion of those jobs offer health benefits?

Other outcomes of (NAME project)

- *[Where this information has not been provided on the CDE Information Sheet]:* **Total square footage of the space actually built or rehabilitated by the project**
- *[Where this information has not been provided on the CDE Information Sheet:]* **Proportion (percentage) of the space built or rehabilitated that is:**
 - Restaurants, hotels, food services, or other retail space
 - Financial, professional, scientific, management, business, or other office space
 - Industrial, manufacturing, transportation logistics, or warehousing space
 - Housing
 - Health, and human and social service facilities
 - Educational and community facilities
 - Facilities or space for the performing arts, cultural, entertainment, or other amenities
 - Other _____
- **Current vacancy rate**
- *[If (NAME project) has tenants]:* **Is rent for commercial space paid by (NAME QALICB's) tenants below market rates?**
- *[If (NAME project) involved housing]:*
 - Newly constructed or rehabilitated

- Number of units for homeownership
 - Percentage of the homeownership units that are affordable (i.e., homeowners pay no more than 30 percent of their annual income on housing)
 - Number of rental units
 - Percentage of the rental units that are affordable (such as where renters pay no more than 30 percent of their annual income on housing)
- **Business start-ups or expansions as a result of the project**
 - **Green development outcomes: production of environmentally sustainable building(s)**
 - **Human and/or social services outcomes (e.g., new or increased access to health care, training centers, child care centers, other human/social services)**
 - **Community amenities and/or facilities outcomes (new and or increased access)—e.g., grocery stores, shopping, restaurants, laundry facilities, gas stations, libraries, parking lots or garages, transportation, banking, financial services/products, elementary or secondary schools, tertiary education, parks, open space, playgrounds, recreation centers, arts and cultural institutions, museums).**
 - **Community and/or neighborhood beautification outcomes; i.e., direct physical improvements to property**
 - **Infrastructure outcomes/improvements (e.g., streets, roads, sewers)**
 - **Tax revenues/other monetary benefits outcomes (e.g., increased taxes to the local jurisdiction)**
 - **Other project outcomes**
-

F. COMMUNITY OUTCOMES

Changes in the neighborhood or area of the project—either positive or negative—beyond those discussed that might be linked to the project, even though they were not formally part of the project

- **Neighborhood employment**
- **Real estate development in the immediate neighborhood**
- **Changes in property values in the immediate neighborhood**

- **Business development in the immediate neighborhood**
- **Green development in the immediate neighborhood**
- **Human and/or social services in the immediate neighborhood**
- **Amenities and/or community facilities in the immediate neighborhood**
- **Infrastructure in the immediate neighborhood**
- **Beautification in, or physical upgrading of, the immediate neighborhood**
- **Tax revenues or other monetary benefits to the community**
- **(NAME project's) contribution, if any, to a change in the demographics or economic status of the larger community in which it is located—such as with respect to poverty level, median income, racial/ethnic composition, age and family structure mix, education level, or employment rate**
- **Other neighborhood-level outcomes of (NAME project) not previously discussed**

New Markets Tax Credit (NMTC) Program Evaluation
CDE Information Sheet
11/25/09

A. CONTACT INFORMATION

CDE Contact Information (please correct if necessary)

Contact Name: _____ Telephone: _____
Title: _____ Email: _____
Organization: _____
Mailing Address: _____

QALICB Contact Information

Contact Name: _____ Telephone: _____
Title: _____ Email: _____
Organization: _____
Mailing Address: _____

B. PROJECT INFORMATION

(please correct if necessary)

1. Name commonly used to refer to this project: _____
2. Allocation round for this project: _____
3. Year project initiated: _____

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C. PROJECT FINANCING

Please send us the sources and uses and latest financial statements for the project.

(If you do not have the information requested below, please leave the response blank. It is not necessary to contact the QALICB as we will be contacting them separately.)

Please complete the following inventory of the sources and amounts of financing that comprised this NMTC loan/investment. If the QALICB received other loans or investments prior to or subsequent to this financing, and if those funds are considered substantially part of the same overall use as the NMTC loan/investment, please include that financing as well.

Source*	Source of Loan, Grant, or Investment	Description (select all that apply)					Amount (\$)
		Grant	Line of Credit	Term Loan	Debt-like equity	Equity	
1.	New Markets Tax Credits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
2. (if any)	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
3. (if any)	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
4. (if any)	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
5. (if any)	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
6. (if any)	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
7. (if any)	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
8. (if any)	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
9. (if any)	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
TOTAL:							\$ _____

* If there were multiple loans, grants, or investments from one source, please list the source only once, and summarize the amount of financing.

D. QALICB REVENUE/BUDGET

(If you do not have this information, please leave the response blank. It is not necessary to contact the QALICB as we will be contacting them separately.)

If QALICB or parent entity is for-profit please answer:

- Annual Gross Revenue from business operations at time of project initiation: _____
- Annual Gross Revenue from business operations for the most recently completed fiscal year: _____

If QALICB or parent entity is non-profit please answer:

- Operating budget at time of project initiation: _____
- Operating budget for the most recently completed fiscal year: _____

E. QALICB EMPLOYMENT

(If you do not have this information, please leave the response blank. It is not necessary to contact the QALICB as we will be contacting them separately.)

- Number of full time employees*—including owners—at time of project initiation: _____
- Number of full time employees*—including owners—at end of most recent fiscal year: _____
- Number of newly created jobs that can be directly attributed to the project :
 - Permanent positions _____
 - Temporary, seasonal positions _____
 - Construction Jobs _____
 - Positions at tenants _____

4. Number of jobs saved as a result of the project:

(pre-existing jobs that would have been lost if not for project having been financed and completed)

- Permanent positions _____
- Temporary, seasonal positions _____
- Construction Jobs _____
- Positions at tenants _____

5. Approximately what percentage of all newly created or saved permanent jobs were the following:

- Entry level/low-wage: _____%
- Mid-level: _____%
- Management/professional: _____%
- Other: _____%

6. Approximately what percentage of newly created or saved permanent jobs were filled by the following:

- Residents of the project neighborhood: _____%
- Not Applicable—project located in non-residential neighborhood
- Minorities: _____%

** Full-time employees work 35 hours or more per week. Do not include temporary, seasonal, or construction employees in your calculations. Hours for part-time employees should be combined to the equivalent of full-time employees—i.e., two 17.5 hour per week employees would equal one full-time employee.*

F. QALICB REAL ESTATE DEVELOPMENT OUTCOMES

(f you do not have this information, please leave the response blank. It is not necessary to contact the QALICB as we will be contacting them separately.)

- 1. Was there a real estate component to this project? Yes No

If YES, please answer the questions below.

- 2. How many square feet did the project build or rehabilitate? _____
- 3. Approximately what percentage of the space built or rehabilitated is:
 - Restaurants, hotels, food services, or other retail space _____%
 - Financial, professional, scientific, management, business, or other office space _____%
 - Industrial, manufacturing, transportation logistics, or warehousing space _____%
 - Housing _____%
 - Health, and human and social service facilities _____%
 - Educational and community facilities _____%
 - Facilities or space for the performing arts, cultural, entertainment, or other amenities _____%
 - Other (please specify): _____ _____%