

**QALICB**

***Case-Style Telephone Discussion Guide***

11/25/09

**INTRODUCTION**

The Community Development Financial Institutions (CDFI) Fund of the U.S. Department of the Treasury is interested in understanding and articulating the benefits that the New Markets Tax Credit (NMTC) Program may bring to low-income communities. Towards that end, the CDFI Fund has contracted with the Urban Institute, a non-profit policy research organization based in Washington, DC, to conduct an evaluation of the NMTC Program.

Your [firm/organization] received a [loan/investment] in 200[X] that was financed in part through a federal program called the New Markets Tax Credit Program. Your project, along with many other projects, was selected at random for inclusion in the portion of our program evaluation that involves a series of interviews with project stakeholders, including yourself, the CDE that provided the tax credits, a project investor, and another project stakeholder knowledgeable about the project, such as a local official or representative of a community group. That's the reason for the call today.

Your participation in this call is voluntary but it's very much appreciated. 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 your firm/organization, (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.

Thank you 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? 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**

- **Type of organization of [NAME QALICB]** (e.g., nonprofit, for-profit, a government entity, or a quasi-governmental entity)
  - **Principal activity of [NAME QALICB]; still operating?**
  - **Prior experience of [NAME QALICB] with community development financing** (e.g., borrowing from non-traditional lenders and/or investors like the Small Business Administration [SBA], using USDA loans for rural areas; borrowing from non-profit lenders or local community development agencies that may use CDBG funds, etc.)
  - **Prior experience of [NAME QALICB] in seeking financing from (NAME CDE) and/or its Controlling Entity**
  - **Prior experience of [NAME QALICB] with NMTCs**
  - **Description of neighborhood or area in which (NAME Project) is located**
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## **B. INITIATION AND IMPLEMENTATION OF [NAME PROJECT]**

- **Description of [NAME Project]**
- **History of [NAME Project]**
  - How (NAME QALICB) initially came into contact with the NMTC program and (NAME CDE)
  - Changes in (NAME Project's) deal as it took shape
  - (Name Project's) timeframe/schedule
- **Satisfaction with (NAME CDE)** (e.g., customer service, rates and terms of financing, putting the deal together)
- **Experience working with the NMTC program requirements and reporting**
- **Overall objective when [NAME QALICB] obtained the NMTC [loan/investment]**
- **Length of time needed to obtain the needed financing**
- **Progress made to date with respect to [Name Project]**

**C. [NAME QALICB] FINANCIAL INFORMATION AND [NAME PROJECT] FINANCING** *[CDE and QALICB Information Sheets will be reviewed prior to the interview; the following items will be covered only for data that are missing from the Sheets or for information that is not clear].*

*[For for-profit QALICBs]:*

- **Annual gross revenue during the 12-month period prior to NMTC investment**
- **Annual gross revenue for the most recently completed calendar or fiscal year**
- **Annual expenses for the most recently completed calendar or fiscal year**

*[For non-profit QALICBs]:*

- **Operating budget**
- **Profitability of this project [for your firm] as compared with comparable projects**

*[For all QALICBs]:*

- **Total net assets for the most recently completed calendar or fiscal year**
  - **Total outstanding loans for the most recently completed calendar or fiscal year**
  - *[For loans only]:*
    - **Difficulties in making loan payments**
    - **Changes in loan terms**
    - **Restructuring loan payments, including temporarily or permanently changing interest rate or other work-outs**
    - **Late payments**
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#### **D. ROLE OF NMTC FINANCING**

- **Access to private capital for economic development projects in the neighborhood or area where [NAME project] is located -- at the time that NMTC financing was received**
- **Access to private capital for economic development projects in the surrounding area -- at the time that NMTC financing was received**

- **Business costs related to (NAME project) compared to those that would be incurred by [businesses/organizations] located in less distressed neighborhoods or areas**
  - *[If (NAME project) is site-specific or relates to location of a business]:*
    - **When was site selected?**
    - **Why was this particular site selected?**
    - **Site’s history of previous development (or lack thereof)**
    - **Other sites considered for (NAME project)**
  - **Did [NAME QALICB] apply for conventional financing for the same purpose for which the [NMTC loan/investment] was used? 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.**
  - **Potential differences between NMTC [loan/investment] and conventional financing** (e.g., interest rates, origination or other fees, allowable loan to value ratio allowed, collateral requirements, credit standards, debt service coverage ratio, loan loss reserve requirement)
  - **What likely would have happened if (NAME project) had not received NMTCs?**
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**E. EMPLOYMENT, BUSINESS, AND TAX OUTCOMES** *[CDE and QALICB Information Sheets will be reviewed prior to the interview; the following items will be covered only for data that are missing from the Sheets or for information that is not clear].*

#### **E-1. EMPLOYMENT OUTCOMES**

- **Number of individuals—including the owners—who worked for [NAME QALICB] in a typical pay period at the start of the project—associated with [NAME Project]**
- **Number of individuals—including the owners—who work for [NAME QALICB] during a typical pay period this year—associated with [NAME Project]**
- **Number of new jobs/hires as a result of the [loan/investment] for [NAME Project]**
- **Number of new jobs/hires filled as a result of the [loan/investment] that still exist today at [NAME Project]**
- **Number of jobs saved** (i.e., number of *pre-existing* jobs that would have been lost if not for [NAME project] having been financed and completed)

- *Of newly created or saved jobs, approximate percentage filled by:*
  - **Residents of (NAME project's) neighborhood/area (or the surrounding community targeted for development using NMTCs)**
  - **Minorities**
  - **Low-income/low education level/hard to employ**
- *Of newly created or saved jobs, approximate percentage in the:*
  - **Entry level/low wage category**
  - **Mid-level/mid wage category**
  - **Management/professional category**
  - **Other (specify)**
- **Approximate proportion of newly created or saved jobs that are:**
  - **Eligible for health insurance offered by your [firm / organization]?**
  - **Eligible for sick leave?**
  - **Eligible for [or participated in] a pension or matched savings plan?**
- **Did any of the newly created or retained jobs offer other opportunities such as training, advancement potential, or ownership shares?**
- **In (NAME Project), are there any tenants—either for profit businesses or non-profit entities?**

*(If yes):*

- **Number of persons who worked for the tenants (including the owners) during a typical pay period at the start of (NAME project)**
- **Number of persons (including the owners) who work for the tenants during a typical pay period during the current year**
- **Number of new persons hired by tenants as a result of (NAME Project)**
- **Number of jobs saved at tenant businesses/organizations (*i.e.*, number of pre-existing jobs that would have been lost if not for (NAME project) having been financed and completed)**

- Of newly created *or* saved 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 jobs, **approximate percentage filled by:**
  - **Residents of (NAME project's) neighborhood/area or the surrounding community targeted for development using NMTCs)**
  - **Minorities**
  - **Low-income/low education level/hard to employ**
- **Approximate proportion of those jobs offering health benefits, sick leave, other benefits**
- **Did any of the newly created or retained jobs at your tenants offer other opportunities such as training, advancement potential, or ownership shares?**

## **E-2. BUSINESS AND TAX OUTCOMES**

- **Small businesses start-ups**
  - **Increased taxes paid to the city or county where (NAME project) is located**
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## **F. REAL ESTATE, BEAUTIFICATION, AND GREEN BUILDING OUTCOMES**

- **Total square footage of the space built or rehabilitated by [NAME Project]. Proportion (percentage) of the space 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 \_\_\_\_\_
  - **Vacancy rate: business; residential**
  - **[If (NAME project) has tenants]: Is rent for commercial space paid by (NAME QALICB's) tenants below market rates?**
  - **[If housing was constructed]:**
    - **Newly constructed or rehabilitated?**
    - **Number of for-sale housing units; percent that are affordable** (i.e., homeowners pay no more than 30 percent of their annual income on housing)
    - **Number of rental housing units; percentage that are affordable** (i.e., renters pay no more than 30 percent of their annual income on housing)
  - **Exterior improvements made to the developed property**
  - **Infrastructure improvements** (e.g., streets, roads, sewers)
  - **Green development outcomes: production of environmentally sustainable building(s)**
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## **G. ACCESS TO AMENITIES AND COMMUNITY SERVICES OUTCOMES**

- **Did [NAME Project] directly provide or improve access to amenities or community facilities for the neighborhood surrounding where it is located** (e.g., grocery stores, shopping, restaurants, , libraries, parking lots or garages, transportation, banking, financial services/products, schools, , parks, , recreation centers, arts and cultural institutions, museums, etc.)?
- **Did (NAME Project) directly provide, improve access to, or improve the quality of any human or social services to the neighborhood surrounding where it is located** (e.g., healthcare, employment and training, childcare, etc.)?

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**H. COMMUNITY-LEVEL OUTCOMES** *[e.g., changes in the neighborhood or area of the project—either positive or negative—beyond those discussed above that might be linked to the project, even though they were not formally part of the project]*

- **Neighborhood/area employment outcomes**
- **Real estate development in the immediate neighborhood/area**
- **Changes in property values in the immediate neighborhood/area**
- **Business development in the immediate neighborhood/area**
- **Green development in the immediate neighborhood/area**
- **Human and/or social services in the immediate neighborhood/area**
- **Amenities and/or community facilities in the immediate neighborhood/area**
- **Infrastructure in the immediate neighborhood/area**
- **Beautification in, or physical upgrading of, the immediate neighborhood/area**
- **Tax revenues or other monetary outcomes/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)**
- **Main benefits to the community from (NAME Project)**
- **“Leakage” of benefits of (NAME Project) from the intended/targeted beneficiaries/community**
- **Adverse effects of (NAME Project) on surrounding area** (e.g., businesses were closed, residents were displaced, etc.)?
- **Unintended consequences—good or bad**



## **I. STIMULATION OR ENHANCEMENT OF LOCAL/INSTITUTIONAL CAPACITY OUTCOMES**

- **Level of activity of (NAME local government) and community organizations in attracting investment to this community?**
  - **Changes since (NAME Project) was initiated**
- **Capacity of (NAME local government) to:**
  - **Attract investment**
  - **Coordinate local economic development initiatives/projects**
- **Capacity of local community organizations to:**
  - **Attract investment**
  - **Coordinate local economic development initiatives/projects**
- **Capacity of (NAME CDE) to**
  - **Attract investment**
  - **Coordinate local economic development initiatives/projects**
- **Role of NMTCs with respect to enhancing (NAME community's) capacity to bring or direct capital to areas similar to that in which (NAME Project) is located**

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

**A. CONTACT INFORMATION**

**QALICB Contact Information**

Contact Name: \_\_\_\_\_ Telephone: \_\_\_\_\_  
Title: \_\_\_\_\_ Email: \_\_\_\_\_  
Organization: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_

**B. PROJECT INFORMATION**

1. Name commonly used to refer to this project: \_\_\_\_\_
2. Year project initiated: \_\_\_\_\_
3. For the most recently completed calendar year or fiscal year, what was the total amount of your organization's outstanding loans? Please include the principal and interest owed on all loans including mortgages, motor vehicle, equipment, capital leases, lines of credit, and credit cards. \$ \_\_\_\_\_  
For the period from \_\_\_\_\_ to \_\_\_\_\_

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### C. PROJECT FINANCING

**[Section C will be removed if this information has been provided by the CDE]**

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

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"/>	\$_____
<b>TOTAL:</b>							\$_____

\* 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

**[Section D will be removed if this information has been provided by the CDE]**

**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

(Estimates are ok. Indicate if responses are from program records or are estimates. If you do not have this information, please leave the response blank.)

		Source	
		Program Records	Estimates
1. Number of full time employees*—including owners—at time of project initiation:	_____	<input type="checkbox"/>	<input type="checkbox"/>
2. Number of full time employees*—including owners—at end of most recent fiscal year:	_____	<input type="checkbox"/>	<input type="checkbox"/>
3. Number of newly created jobs that can be directly attributed to the project : (Include temporary construction jobs, jobs at tenant businesses, etc.)	_____	<input type="checkbox"/>	<input type="checkbox"/>

		Source	
		Program Records	Estimates
4. Number of jobs saved as a result of the project: <i>(pre-existing jobs that would have been lost if not for project having been financed and completed)</i>	_____	<input type="checkbox"/>	<input type="checkbox"/>
5. Approximately what percentage of all newly created or saved jobs were the following:			
Entry level/low-wage:	_____%	<input type="checkbox"/>	<input type="checkbox"/>
Mid-level:	_____%	<input type="checkbox"/>	<input type="checkbox"/>
Management/professional:	_____%	<input type="checkbox"/>	<input type="checkbox"/>
Other:	_____%	<input type="checkbox"/>	<input type="checkbox"/>
6. Approximately what percentage of newly created or saved jobs were filled by the following:			
Residents of the project neighborhood:	_____%	<input type="checkbox"/>	<input type="checkbox"/>
Residents of the larger community—(city or county, as appropriate):	_____%	<input type="checkbox"/>	<input type="checkbox"/>
Minorities:	_____%	<input type="checkbox"/>	<input type="checkbox"/>

\* 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

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

### If YES, please answer the questions below.

*(Estimates are ok. Indicate if responses are from program records or estimates. If you do not have this information, please leave the response blank.)*

		Source	
		Program Records	Estimates
2. How many square feet did the project build or rehabilitate?	_____	<input type="checkbox"/>	<input type="checkbox"/>
3. Approximately what percentage of the space built or rehabilitated is:			
Manufacturing:	_____%	<input type="checkbox"/>	<input type="checkbox"/>
Office:	_____%	<input type="checkbox"/>	<input type="checkbox"/>
Retail:	_____%	<input type="checkbox"/>	<input type="checkbox"/>
Housing:	_____%	<input type="checkbox"/>	<input type="checkbox"/>
Community/Social Service facilities:	_____%	<input type="checkbox"/>	<input type="checkbox"/>
Other (please specify): _____	_____%	<input type="checkbox"/>	<input type="checkbox"/>