



Las Vegas Community Investment Corporation New Markets Tax Credit

City Council Meeting, April 2, 2025

Submitted at Meeting
Date: 04/02/2025 Items: 26 and 27
By: Staff



NMTC Background

The New Market Tax Credit (NMTC) Program was created by Congress as part of the Community Renewal tax Relief Act of 2000. The NMTC Program is administered jointly by the Community Development Financial Institution (CDFI) Fund of the US Department of Treasury and the Internal Revenue Service.

The NMTC Program aims to break the cycle of disinvestment in low-income communities (LICs) by attracting the private investment necessary to reinvigorate struggling local economies.

The NMTC Program attracts private capital into LICs by permitting investors to receive a tax credit against their federal income tax in exchange for making equity investments in specialized financial intermediaries called Community Development Entities (CDEs). The credit totals 39% of the original investment amount and is claimed over a period of seven years.

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Total
5%	5%	5%	6%	6%	6%	6%	39%

CDEs

A qualified CDE means any domestic corporation or partnership if:

- the primary mission of the entity is serving, or providing investment capital for, low-income communities or low-income persons,
- the entity maintains accountability to residents of low-income communities through their representation on any governing board of the entity or on any advisory board to the entity*, and
- the entity is certified as being a qualified community development entity.

* At least 20% of the members of the Advisory Board must be representative of the LIC served by the CDE.

LVCIC NMTC Allocation History

Project Name	QALICB Type	QALICB Activity	CY 2013	CY 2015-2016	CY 2018	Total QEI
Historic Westside School	Commercial	Office Space	11,153,614			11,153,614
EHB Legal Center	Commercial	Office Space	10,000,000			10,000,000
The Blind Center	Community Facility	Multi-Service	6,846,386	2,153,614		9,000,000
The Library	Community Facility	Multi-Service		17,000,000		17,000,000
Futuro	Community Facility	Education		8,000,000		8,000,000
Mob Museum	Community Facility	Multi-Service		9,000,000		9,000,000
Valley Hospital	Community Facility	Healthcare		7,846,386	8,003,614	15,850,000
Three Square	Community Facility	Multi-Service		5,200,000	5,800,000	11,000,000
Courtyard	Community Facility	Multi-Service		5,800,000	20,196,386	25,996,386
Wardelle Strong Start	Community Facility	Multi-Service			11,000,000	11,000,000
			28,000,000	55,000,000	45,000,000	128,000,000

LVCIC Investment Parameters

- Service Area: Las Vegas-Henderson-Paradise MSA
- Targeted Areas:
 - Severe Distress
 - Federal Medically Underserved Areas
- Targeted Business Types: Community facilities
- Capital Needs: Lack of access and financing gap
- Community Accountability and Involvement:
 - LIC engagement
 - Alignment with LIC priorities
 - Aligned with broader community plan
- Targeted Outcomes
 - Quality jobs (100%)
 - Accessible jobs (55% LIP or LIC resident)
 - Community goods or services (65% to LIP or LIC resident)

LVCIC Transaction Approval Process

- Identify pipeline projects with input from Advisory Board.
- Potential borrowers submit a Financing Application.
- Perform due diligence for NMTC eligibility, feasibility, and community alignment.
- Present to Governing Board for review.
- Present to Advisory Board for approval to issue a Reservation Letter.
- Perform deal closing (typically at least two months timeframe).
- Present to Governing Board for approval to execute transaction documents.

LVCIC Advisory Board

- Janet Bluman - Foundation for an Independent Tomorrow – **Chair**
- Lisa Segler - Three Square Food Bank – **Vice Chair**
- John Edmond
- Kathi Thomas – Southern Nevada Housing Authority
- Luis Aceves - REACH Foundation
- Asha Jones – Brightline West
- Janet Quintero - United Way of Southern Nevada

Strong Start Academy Elementary School
At the Tony Hsieh Educational Center

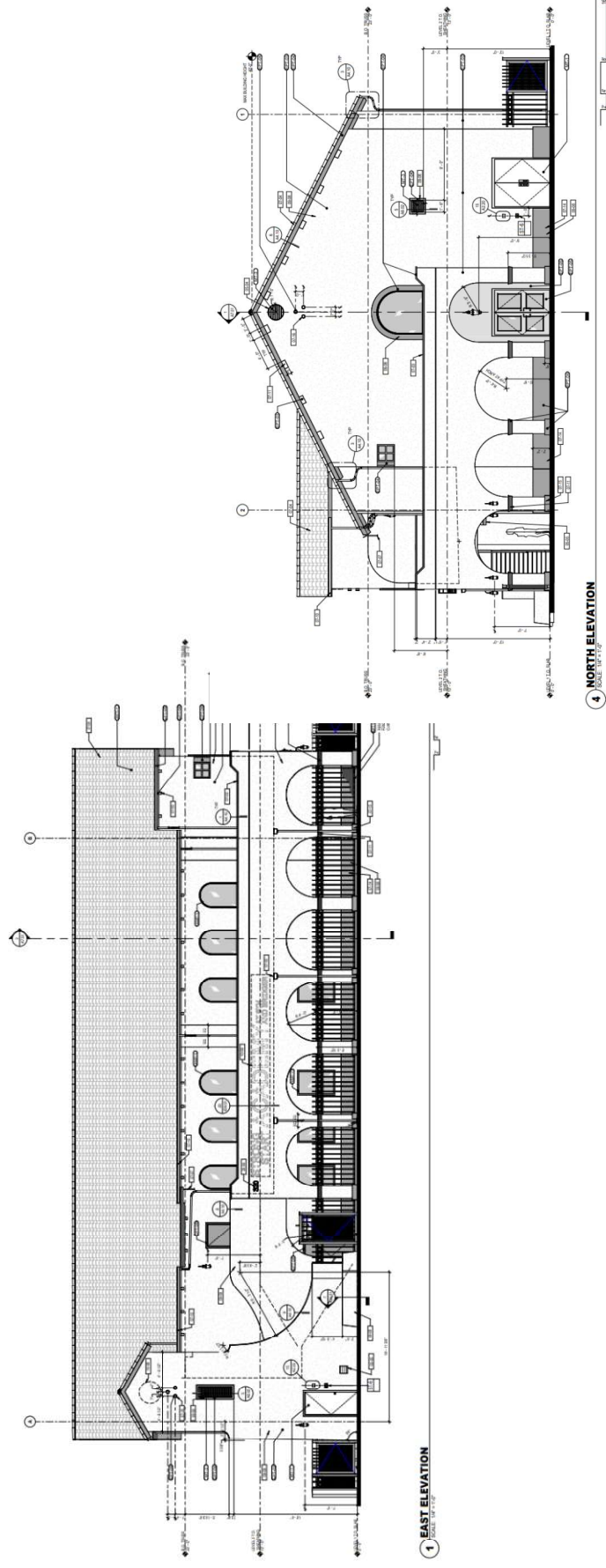
320 S. 9th Street, Las Vegas, NV 89101

Council Agenda Items 26 & 27

Strong Start Academy, At Tony Hsieh Educational Center



Strong Start Academy, At Tony Hsieh Educational Center



Strong Start Academy – Financial Structure

- US Bank is the purchaser of New Market Tax Credits
- LVCIC NMTC allocation: \$9,000,000
- LVCIC funding to project: \$2,377,800
- Reimbursement for previously incurred costs: \$1.4M
- Compliance Period: 7 years



Questions?