

JULY 15, 2020

LAW ALERT

TREASURY ANNOUNCES NEW MARKETS TAX CREDITS ALLOCATION AWARDS

M David Kroot

Lynn Hutchins

Karen M. Tiedemann

Thomas H. Webber

Dianne Jackson McLean

Michelle D. Brewer

Jennifer K. Bell

Robert C. Mills

Isabel L. Brown

James T. Diamond, Jr.

Margaret F. Jung

Heather J. Gould

William F. DiCamillo

Amy DeVaudrevuil

Barbara E. Kautz

Erica Williams Orcharton

Luis A. Rodriguez

Rafael Yaquían

Celia W. Lee

Dolores Bastian Dalton

Joshua J. Mason

Elizabeth R. Klueck

Jeffrey A. Streiffer

Jhaila R. Brown

Gabrielle B. Janssens

Rye P. Murphy

Aileen T. Nguyen

Katie Dahlinghaus

Erin C. Lapeyrolerie

On July 15, 2020, the United States Department of Treasury's Community Development Financial Institutions Fund ("CDFI Fund") announced the awardees of New Markets Tax Credits ("NMTC") for the 2019 round of the NMTC program. The Treasury awarded a total of over \$3.5 billion of NMTC to 76 community development entities ("CDEs") for this round, selected from a pool of 206 applicants.

Information about the 2019 NMTC allocation awards and the NMTC Program can be found on the CDFI Fund website [here](#).

BRIEF SUMMARY OF THE NMTC PROGRAM

The NMTC program is a tax-credit program that promotes investment in businesses and public facilities located in low-income communities. In exchange for a qualified equity investment in a CDE, an investor becomes eligible to receive tax credits from the federal government. The CDE then provides a loan or an equity investment to a qualified active low-income community business ("QALICB") that is located in a qualified low-income census tract or that provides services or employment opportunities to "targeted populations" composed of low-income individuals.

Some examples of projects financed with the assistance of NMTC include community centers, charter schools, medical facilities, child care facilities, historic live theater venues, supermarkets, business incubator facilities, shopping centers, office buildings for public agency use, clean technology research facilities, manufacturing plants, mixed-use projects, hotels, public libraries, office parks serving nonprofit organizations, and affordable housing.

To date, over \$61 billion in NMTC have been awarded to stimulate investment in low-income communities since the NMTC program's inception in 2002.

Goldfarb & Lipman has successfully represented public agencies and nonprofit corporations in structuring and closing NMTC transactions. We have assisted QALICBs, CDEs, and leverage lenders in these transactions.

For more information on the NMTC program, please contact Luis A. Rodriguez, Rafael Yaquian, Elizabeth R. Klueck, or any other Goldfarb & Lipman attorney at 510-836-6336.

San Francisco

415 788-6336

Los Angeles

213 627-6336

San Diego

619 239-6336

Goldfarb & Lipman LLP