



# NEW MARKETS TAX CREDITS

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## Leveraging Private Capital for Catalytic Community Projects

**New Jersey Community Capital** (NJCC) utilizes the Federal **New Markets Tax Credit** (NMTC) program to attract private capital to commercial real estate development projects in New Jersey's most distressed communities. The NJCC team assists with deal structuring, finding the right equity and debt providers, and by bringing NMTCs to the transactions.

### Benefits

NMTCs enable more advantageous access to traditional financing options and more flexible financing terms. Flexible financing may include lower interest rates, more flexible collateral requirements, and interest only payments up to seven years. Additionally, the equity generated by the NMTC can help fill a project's financing gap (typically up to 20%).

### Eligibility

Project must be located in qualified census tract as determined by the U.S. Treasury's CDFI Fund. Project transaction sizes typically begin at \$5 million and should bring significant benefits to low- and moderate-income communities. NJCC allocates its NMTC allocation to projects based on the following criteria:

- Designated target areas (including Essex, Mercer, and Passaic Counties, as well as South New Jersey).
- Nonprofit or operating business that bring employment opportunities or crucial community services to an area.
- Quality of jobs and services.
- Projects that would not be able to proceed without the use of the NMTC program.

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