

Building Blocks for Kansas City's Future

Kansas City, Missouri Community Development CDE Governing Board approves three projects for NMTC facilitated financing



facilitated financing at a recent board meeting.

The three projects include the new Aldi grocery store at 39th & Prospect, the JD Wagner Unit of the Boys & Girls Club of Greater Kansas City located at 2405 Elmwood and the rehabilitation of the historic OH Dean building at 3635 Main Street by the Reeves-Wiedeman Company, a plumbing supply company, for use as a retail store and to relocate its headquarters office from Lenexa. The decision by the Board represents the KC CDE's first commitment to utilize its \$40 million NMTC allocation

The Governing Board authority which it was awarded last year by the CDFI Fund of the U.S. Department of the Treasury. With the decision of the Board, the KC CDE will begin finalizing the financing structure for each of the three projects and approved three projects for NMTC All projects are expected to be completed in 2010.

In other KC CDE news, five proposals for NMTC facilitated financing from qualified low-income community businesses (QALICB) were submitted to the KC CDE under its 2nd application round. The review process for the five applications will begin this month before being considered by the Governing Board.

The deadline for submitting proposals under the next application round is scheduled for September 30th, 2009, depending on availability of credits.

Kansas City, Missouri Community Development CDE to fund scholarship opportunities for FastTrac® training

In partnership with the Ewing Marion Kauffman Foundation, First Step Fund, University of Missouri Kansas City Small Business Technology Development Center, and Hispanic Economic Development Corporation, the Kansas City, Missouri Community Development CDE is offering scholarships to eligible residents of Low-income Communities in Kansas City, Missouri to participate in FastTrac® entrepreneurship training. Scholarships will be offered for First Step/Primer Paso, NewVenture™ and GrowthVenture™ trainings based on program offerings at participating service providers beginning this fall. Interested candidates should contact the following participating Kansas City, Missouri service providers to determine eligibility, programs offered and availability.



4747 Troost Avenue
(816) 454-4380



4747 Troost Avenue, Suite 218
(816) 235-6116



4747 Troost Avenue
Suite 104A
(816) 235-6769



1427 W 9th Street, Suite 201
(816) 221-3442

Kansas City, Missouri Community Development CDE Governing Board:

Wayne A. Cauthen, City Manager, City of Kansas City, Missouri

Jean-Paul Chaurand, Senior Vice President, Greater Kansas City Community Foundation

Joseph F. Egan, Director/Chairman, Board of Commissioners, Housing Authority of Kansas City

Margaret J. May, Executive Director, Ivanhoe Neighborhood Council

Jeffrey A. Yates, CFO/Director, Finance Department, City of Kansas City, Missouri

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Case Study: National New Markets Fund Closes Tax Credit Financing to Build 85-Plus Habitat for Humanity Homes in Mississippi



National New Markets Fund, LLC (NNMF), a New Markets Tax Credit (NMT) fund created by Los Angeles-based Strategic Development Solutions and Boston-based Economic Innovation International, Inc., has closed \$10 million in NMT allocation to help build more than 85 Habitat for Humanity homes in Mississippi.

The project will provide low-income families in Jackson, Harrison and Hinds counties with safe, affordable, and energy efficient housing. The overwhelming majority of buyers will be first-time homeowners. Like many parts of Metro Jackson and Mississippi's Gulf Coast region, the area where the new homes will be built were impacted most recently by Hurricane Katrina in 2005. As a result, it suffers from inadequate and unsafe housing.



Since Katrina, almost 17% of all Mississippi residents have applied for FEMA assistance, and more than 41,000 units of FEMA temporary housing (travel trailers and mobile homes) were in use statewide following the 2005 hurricanes. As of May 1, 2009, almost 1,800 FEMA units were still occupied.

To qualify for one of the new homes, residents must earn 30-80% of the area median income. The homes will be made affordable through developer and buyer subsidies and 0% interest 30-year mortgages provided through Habitat for Humanity's Metro Jackson and Mississippi Gulf Coast (HFHMGC) affiliates. The project also

includes a significant homebuyer education program, as well as ongoing financial and family life skills training to empower long-term financial stability. Families must also invest 200-500 hours of sweat equity in home construction and/or other community-based volunteer projects. Consistent with the Habitat for Humanity model, all of the new homes will be constructed largely with community volunteer manpower, estimated at 220,000 hours.

The new homes are designed from the ground-up with an emphasis on environmental sustainability and reducing energy costs. Each home will be constructed and outfitted with Energy Star standard windows, appliances, insulation, and heating/cooling equipment. NNMF is also exploring ways to help the Habitat for Humanity affiliates further boost efficiency by installing rooftop solar panels.

"This project is an excellent match for how our Fund invests New Markets Tax Credits," said Deborah La Franchi, president and co-founder of the \$125 million Fund. "It will provide affordable, high quality homes to families in great need, while promoting energy savings and environmental sustainability."

"New Markets Tax Credits are playing a key role in helping us achieve our goal of building 500 affordable for-sale homes by the end of 2012," added HFHMGC Executive Director Chris Monforton.

The \$10 million Metro Jackson and Gulf Coast project is made possible by capital provided by the two regional Habitat for Humanity affiliates, as well as NMTs provided by NNMF. Capital One Bank is the tax credit investor in the transaction. The Habitat for Humanity affiliates are investing a total of \$8.2 million to carry out the project.

Marketwire - July 21, 2009

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