



## MEMORANDUM

AGENDA ITEM #V.A.1

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DATE: FEBRUARY 1, 2016

TO: COUNCIL MEMBERS

FROM: STAFF

SUBJECT: PRESENTATION ON THE SFRC'S COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION AND NEW MARKET TAX CREDIT PROGRAM INITIATIVE

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The New Market Tax Credit (NMTC) Program is one of the U.S. Department of Treasury's Community Development Financial Institutions (CDFI) Fund Programs. It provides incentives for community development and economic growth through the use of tax credits that attract private investment to distressed communities.

The CDFI and the NMTC programs come together to advance sustainable economic development. These programs create access to capital by directing private investment to projects with regional impact and businesses that create mid-to-high wage jobs. These programs support business development, job creation, and greater access to opportunity for the region's residents. The SFRC's existing Revolving Loan Funds (RLF) and its emerging CDFI, the Southeast Florida Community Development Fund Inc. (SFCDI), demonstrates the Council's commitment to job creation and creating access to capital for businesses in Southeast Florida.

The SFRC's approach to increase access to capital is to create a network of funding sources or a "family of funds" that can serve businesses at each stage of their life cycle, from the entrepreneurial start-up to maturity. Therefore, in concept, a start-up can apply for its first loan from the RLF and as the business grows into a medium-sized company, it can apply for a larger loan from the SFCDI.

This "family of funds" will enhance community and economic development, and job creation. Together the NMTC program, SFCDI, and RLFs will enable the SFRC to make long-term capital investments in businesses and projects that will create greater economic opportunity for the region, communities, and South Florida's residents.

### Recommendation

Information only.

