New Market Tax Credits: Community Development Entity

Pittsburgh Urban Initiatives
Do I Qualify?

- **Eligibility**
  - Project is located in a Low Income Community as defined by the CDFI fund
  - Borrower can meet the test of being a Qualified Active Low Income Business
  - Project can meet the “But For” test and is a good fit for a Pittsburgh Urban Initiative Allocation
Low Income Communities

- At least 20% poverty rate
- Median family income does not exceed 80% of area median family income.
- They have a population of less than 2,000, are contained within a Federally designated Empowerment Zone, and are contiguous to at least one other LIC
- Where the median family income does not exceed 85% of the area median family income, provided the census tract is located in a high migration rural county.
Pittsburgh Qualifying Census Tracts
CDE mission-
- Strategically invest in office, retail, mixed-use, and community facility developments designed to rehabilitate abandoned and blighted sites in the City of Pittsburgh with a focus on opportunities to catalyze investments in low-income communities that sit adjacent to stabilized real estate markets

Geography
- City of Pittsburgh
Pittsburgh Urban Initiatives process

Pittsburgh Urban Initiatives
NMTC Qualified?
Aligned with Application
Underwriting

Advisory Board
Community Support
Community Impacts
Community Linkages
Pipeline of projects

Governing Board
NMTC Qualified
Aligned with Application
Financial Strength
Advisory Board Feedback

PUI Pittsburgh Urban Initiatives LLC
Criteria for selection

- Compelling- Catalytic Impacts:
  - Job Creation
  - Low to moderate income job hiring
  - Minority and Women Business Enterprise participation
  - Community involvement
  - Sustainable Building practices (including LEED certification)
- Readiness- Project can close within 6 months
- Scale- NMTC funding makes sense
- Strategic- Connects to other URA/Community Development Collaborative initiatives
- But For New Market Tax Credits project could not be completed
Ineligible activities

- Residential rental property as part of total development that derives 80% or more of its gross rental income from renting dwelling units.
- Certain types of businesses: Golf Courses, Race Tracks, Gambling Facilities, Certain Farming Businesses, Country Clubs, Massage parlors, Hot tub facilities, Suntan facilities, Liquor stores
QALICB (The Borrower)

- An operating business located in LIC
- A business that develops or rehabilitates commercial, industrial, retail and mixed-use real estate projects in a LIC
- A business that develops or rehabilitates community facilities, such as charter school or health care centers, in a LIC
- A business that develops or rehabilitates for-sale housing units located in LICs
Thank You

- Contact Information
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