

NMTCs for FOR-SALE HOUSING



PROJECT TYPES & REQUIREMENTS

- **For-sale housing project, including:**
 - New construction or AC/Rehab
 - Single &/or multi-family, condos, co-ops, ADUs
 - Land trust/shared equity models
- **Threshold requirements, including:**
 - Located in Qualified Census Tract
 - Total development costs at least \$3.5M
 - No residential rental
 - Sell at least 20% of homes built to buyers earning at or below 80% AMI.

WHAT IS THE NET BENEFIT?

The net benefit is the capital injection that a nonprofit developer (QALICB) receives at closing and is the portion of the tax credit equity that does not have to be repaid.

Net benefit can be used to:

- Subsidize market gap
- Subsidize affordability gaps for low- to moderate-income buyers
- Scale production/increase capacity/hire smaller contractors

Net benefit = tax credit equity – costs & expenses

Example: \$10M allocation at .78 cent pricing, net benefit would be approximately \$2.15M

REQUIRED COMPLIANCE:



1ST YEAR SPEND

Spend the NMTC project funds in 12 to 18 months; monthly expenditure reporting required.



AFFORDABLE SALES

Verify, track, and report affordable home sales to buyers earning at or below 80% AMI.



REPORTING

Ongoing semiannual reporting requirements for financials & community / property outcomes.



ACTIVE BUSINESS

Keep separate books for the NMTC portion of the business (POB); develop 1 home per year from POB.

NEXT STEPS

Attend an informational webinar:

- Wednesday, May 7 at 2 p.m. CDT ([click here to register](#))
- Tuesday, May 13 at 2p.m. CDT ([click here to register](#))

Questions? Contact Donna Smith at dasmith@smithnmtc.com or 314-974-7858.

