Challenges

• Mixed-use:
  – Commercial tenants’ credit quality is key to private financing
  – Does neighborhood have enough disposable income and/or density to support retail?
• Mixed-income rental housing: can market-rate units support their share of financing?
• Scale: Larger loans are easier to obtain than small loans if the economics can support them
Resources

• Low Income Housing Tax Credits
  – Can cover up to ~60% of cost of low-income portion
  – Community service facilities can be included in low-income or high-poverty areas

• New Markets Tax Credits
  – Can cover ~20-25% of development cost
  – For commercial and community facilities; only limited residential use

• Historic Rehabilitation Tax Credits
  – Can cover ~15% of rehab costs
  – Best in combination with LIHTC or NMTC

• All tax credits work better for larger properties
Resources

• Community Reinvestment Act
  – Not a subsidy
  – Banks required to meet community credit needs consistent with safety and soundness
  – Federal examiners rate banks’ performance
  – Loans, investments, service
  – Works best in larger metro areas
  – Responsiveness, complexity, innovativeness
  – Pairs well with tax credits