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NMTC Fund Launching Warehouse Conversion

By [Brian K. Miller](#)

SAN FRANCISCO-National New Markets Fund LLC will reveal today plans to turn an underutilized warehouse in San Francisco's Mission District into a commercial center for nonprofit services. The project will create 21,000 square feet spanning three floors at 19th and Mission streets. The center will be called Plaza Adelante.

The project announcement follows the fund's closing on \$9 million of tax credit financing. The funding includes the purchase of \$3.5 million in tax credits, grants, owner equity, and a \$3 million loan from U.S. Bank. The deal is an example of how New Markets Tax Credit funding can help challenging redevelopment projects overcome today's tight credit market, Deborah La Franchi, founder of SDS and co-founder of the fund, stated in an email advancing the announcement. She was not immediately available Sunday afternoon for additional comment.

Upon completion, Plaza Adelante will be home to nearly one dozen nonprofit organizations that provide financial, health care, childcare, legal and other support services. The anchor tenant is the Mission Economic Development Authority Resource Center.

MEDA is a community-based economic development corporation working to improve economic and social conditions in the Mission District neighborhood by stimulating investment, enhancing the business environment and creating jobs for its residents. The district has a poverty rate of 20.2% and an unemployment rate 1.4 times the national average while its residents earn 53% of Area Median Income, according to the latest census data.

Plaza Adelante will have 8,200 square feet on the ground level, a 3,800-square-foot mezzanine level, and an upper level of 8,400 square feet. In addition to MEDA, incoming tenants include the Good Samaritan Family Resource Center, Mission San Francisco Federal Credit Union, Central American Resource Center, Dolores Street Community Services, Mission Asset Fund, Mission Neighborhood Centers, Saint Peters Housing Committee, Caminos Pathways Learning Center, and the Immigrant Legal Education Network.

Created in 2000, the federal New Markets Tax Credit Program has made 364 awards totaling \$19.5 billion. Administered through the US Department of the Treasury's Community Development Financial Institutions Fund, the program is meant to be a catalyst to encourage investment of private equity capital into low-income communities both urban and rural. It allows investors to receive a credit against Federal income taxes for making equity investments in designated Community Development Entities.

SDS' National New Markets Fund has received \$125 million from the federal CDFI Fund and is currently investing in projects throughout the South, California's Central Valley, and the Pacific Northwest. This and other "Double Bottom Line" funds are designed to provide risk-adjusted market rates-of-return for institutional investors while also producing measurable job, wealth creation and community revitalization in targeted low-income neighborhoods.

In Portland, OR, the National New Markets Fund is supporting Mercy Corps' headquarters relocation and consolidation in Old Town. In New Orleans, the fund's investment is allowing Ochsner Baptist Medical Center (previously known as Memorial Medical Center), which was damaged by Hurricane Katrina, to partially re-open its facilities. In Jackson, MS, it is supporting the conversion of the historic and long-vacant King Edward hotel into a mixed-use development as part of the city's downtown redevelopment effort.

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