

# DV COMMUNITY INVESTMENT 2023 ANNUAL REPORT

June 2024

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## A Letter From Our Chairman



As Chairman of DVCI's Advisory Board, I am pleased to report on our 2023 activities as a Community Development Entity under the CDFI Fund's New Markets Tax Credit Program.

Over the past 13 years, we have directly created over 13,500 quality permanent jobs. These 70 projects serve more than 330,000 people annually, providing previously lacking essential services, including healthcare, education and homeless services resources.

I am proud to share that in September 2023, DV Community Investment was awarded \$65,000,000 in Round 19 NMTC allocation by the CDFI Fund. To date, we have received a total of \$590,000,000 in NMTC allocation.

DVCI has committed to the renewal and revitalization of low-income communities in both rural and urban areas. We continue to create, with our financing activities, living wage, quality, permanent jobs, which are accessible to the low-income community and provide a means to escape poverty through economic advancement.

An impactful example of our continued efforts to provide allocation to the communities most in need is the Neighborhood Health Clinic

project, located in a medically underserved area in Fort Wayne, Indiana. Neighborhood Health Clinic is the renovation of a 40,000 square foot abandoned school building into a full-service community health center. The facility will provide comprehensive primary care, including an onsite family practice, pediatrics, a full scope of needed prenatal care, preventative screening, dental services, nutritional counseling, lab services, and behavioral health services. We are proud to have invested in this impactful project, bringing lacking healthcare services to the community.

We look forward to continuing to make the NMTC Program the most effective tool for creating quality jobs, and bringing community services, healthcare, education, and needed development capital to impoverished communities across America.

A handwritten signature in black ink, appearing to read 'Rob Jenkins', written in a cursive style.

Robert K. Jenkins, Jr.  
Chairman

## New Markets Tax Credit Program

The New Markets Tax Credit Program currently expires on December 31, 2025. The bipartisan New Markets Tax Credit Extension Act of 2023 (H.R. 2539 and S. 234) which have been introduced would extend the NMTC indefinitely, provide an inflation adjustment in out-years and broaden the investor market by providing AMT relief to NMTC investors.

### Economic Impacts

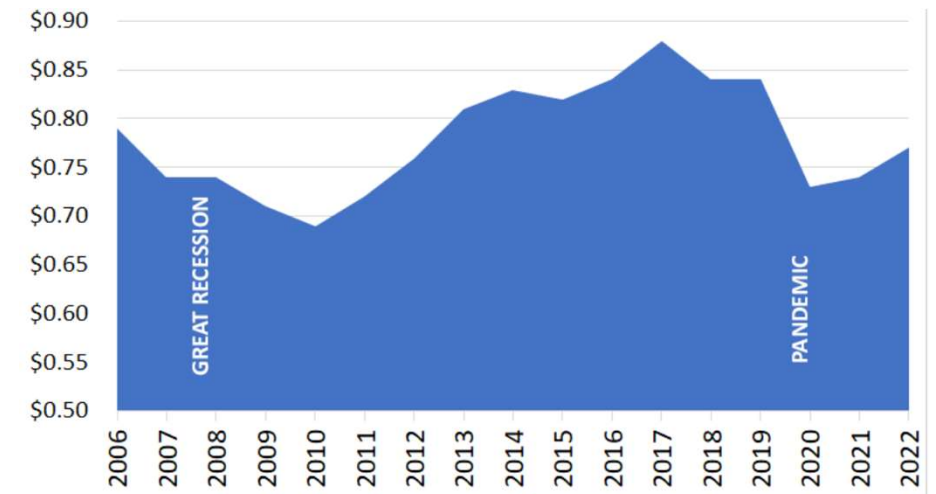
- Between 2020 and 2023, over 80 percent of NMTC projects were in communities exhibiting severe economic distress.<sup>1</sup>
- In 2023, 21 NMTC allocatees met the criteria for “Rural CDE” designation. These 21 Rural CDEs received allocations totaling \$1.055 billion.
- Through 2023, NMTC allocations totaling \$72 billion have delivered more than \$135 billion in total project financing to over 8,500 projects.
- To date, the NMTC Program has created over 1.2 million jobs at a cost to the federal government of less than \$20k per job. For every \$1 invested by the federal government, the NMTC Program generates over \$8 of private investment.
- NMTCs have financed more than 3,700 schools, daycare centers, apprenticeship programs, treatment facilities, Federally Qualified Health Centers, and other service providers.<sup>1</sup> Since inception, the NMTC Program has supported the construction of 77 million square feet of manufacturing space, 94 million square feet of office space, and 78 million square feet of retail space.<sup>2</sup>

<sup>1</sup> <https://nmtccoalition.org/wp-content/uploads/NMTC-Extension-Act-Fact-Sheet-2023-Joint.pdf>

<sup>2</sup> CY 2022 NMTC Program Award Book

<sup>3</sup> AMT-Relief-for-NMTCs-12-7-23.pdf (nmtccoalition.org)

Average NMTC Equity Pricing



### Benefits of Expanding the NMTC Investor Market

NMTC equity pricing tends to drop during recessions and economic uncertainty when investors are unsure about their future tax liability. This issue is worsened by the limited number of investors due to the AMT policy. NMTC equity prices fell sharply in the 2008 and 2020 recessions, which affected low-income communities that needed resources the most.

By providing AMT relief and increasing the pool of investors in the program, demand in NMTC equity markets during economic crises could be stabilized. Higher NMTC equity pricing leads to more benefits for qualified low-income businesses and communities in low-income areas, stretching federal dollars further and attracting more private investment.<sup>3</sup>

## Novogradac Journal of Tax Credits *2023 Non-Metro QLICl of the Year Award*

### Lauderdale Community Hospital

#### **\$9,000,000 DVCI QEI**

**Location:** Ripley, Tennessee  
Non-Metropolitan Census Tract  
Medically Underserved Area

**Poverty Rate:** 38.9%

**Median Family Income:** 41.46%  
**Unemployment Rate:** 13.1%,  
1.58x the national Average

#### **Projected Community Impacts**

- 25 FTEs created
  - 50% LIPs
  - 100% Quality
- Will serve 31.5K LIPs/year

#### **Co-CDEs**

CCG Community Partners LLC  
Hope Enterprise Corporation



Lauderdale Community Hospital (LCH) is the construction of a new facility to replace an obsolete hospital in rural Ripley, Tennessee. LCH creates a significantly improved facility for patients including the latest medical equipment and a more efficient layout. The new improved facility offers expanded services including Emergency Cardiac and Pulmonary Rehab, Surgery Services, Radiology, Laboratory, Physical Rehabilitation, Acute Care, and Respiratory Therapy. LCH retained 95 existing jobs and created 25 new jobs, 50% of which are accessible to residents of the low-income community and 100% of which are quality jobs. All FTEs offer comprehensive benefits package that includes medical, dental, 401k, and tuition reimbursement. LCH is expected to serve 50,000 patients per year with ~31,500 of those visits being from low-income persons. Rural hospitals and facilities across America have closed due to falling populations and an inability to remain profitable enough to stay in operation. Most lenders have little or no ability to underwrite a deal under these conditions, which has severely limited potential debt options and necessitates the need for NMTC financing.

# Novogradac Journal of Tax Credits

## 2023 Metro QLICI Honorable Mention Award

### HFCC Support Corporation - Towne Twin Village

**\$5,000,000 DVCI QEI**

**Location:** San Antonio, Texas

Underserved State

**Poverty Rate:** 31.7%

**Median Family Income:** 39.75%

**Unemployment Rate:** 11.4%,  
1.37x the National Average

**Co-CDEs**

Capital Impact Partners

Accion Opportunity Fund  
Community Development

**Projected Community Impacts**

- 16 FTEs created
  - 90% LIPs or Residents of the LIC
  - 100% Quality Jobs which will receive health benefits, paid vacation, sick and maternity leave, and flexible work hours.
- 92 Construction Jobs
- Provides significant relief to the chronically homeless population over the age of 50 years old.



HFCC is developing 100 energy efficient “tiny homes” under 450 square feet, 24 RV pads which will provide additional housing, 80 apartment units, an onsite health clinic, resource and administrative offices and the Dorothy Day House of Hospitality. The administrative office, RV units and 41 of the tiny homes and apartments will be financed outside of the NMTC transaction. The health clinic will include primary health and dental care exam rooms, as well as behavioral health counseling and case management offices. The Dorothy Day House of Hospitality will provide meals, a barbershop, nail care, and laundry facilities to residents and will have a commercial kitchen to provide meals to residents, as well as to the neighboring community. The community campus will house 194 formally homeless individuals, plus 10 Please Alleviate Loneliness volunteers. Peer volunteers who have overcome chronic homelessness, will offer a wide range of support including mentorship and help accessing support services. Without NMTCs, this highly impactful project would otherwise have to be significantly scaled down, eliminating critical services, amenities, and housing units from the campus.

## Neighborhood Health Clinic

### 2023 NMTC Investment



#### **\$3,000,000 Qualified Equity Investment**

**Location:** Fort Wayne, Indiana

Medically Underserved Area

**Poverty Rate:** 55.5%

**Median Family Income:** 42.21%

**Unemployment Rate:** 20.7%, 2.49x the national average

#### **Projected Community Impacts**

- 58 FTE jobs created
  - 55% LIPs or Residents of the LIC
  - Average FTE wage of \$78,000 significantly surpasses the area's MIT living wage
- 104 FTE construction jobs created
- 29,690 visits per year anticipated with an 87% minority patient demographic

**Co-CDEs:** Fort Wayne New Markets Revitalization Fund, LLC, CCG Community Partners, LLC & Empowerment Reinvestment Fund, LLC

Neighborhood Health Clinic acquired the 40,000 square foot abandoned L.C. Ward school building in Fort Wayne and will renovate the structure into a full-service community health center. The clinic will provide comprehensive primary care, including an onsite family practice, pediatrics, prenatal services, immunizations, preventative screening, dental services, nutritional counseling, lab services, and behavioral health services. The new facility will employ a full prenatal provider team and a 2,000 square foot wing will be dedicated to proper pre- and post-natal nutrition, breastfeeding support, healthcare, and service referrals which directly addresses the dire need for healthcare services currently not available to minority mothers and leading to higher infant mortality rates in the area. Prenatal care is significantly needed given the current infant mortality rate in the southeast Fort Wayne area which is at an all-time high. Neighborhood Health will also include a newly constructed 2,758 square foot community center available to the public for collaborative health-related programming. NMTC funding will allow the Project to provide dental, behavioral health, comprehensive prenatal services, and supplementary health support services to the residents of this community which currently does not have adequate access to high quality healthcare.

## 2024 Round 19 Snapshot

### Bongards Creameries



**\$6,000,000 Qualified Equity Investment**

**Location:** Perham, Minnesota  
Non-Metropolitan Census Tract

**Median Family Income:** 68%

**Unemployment Rate:** 7.4%, 1.37x the national average

Bongards Creameries (Bongards) is a farmer-owned co-op that owns and operates three cheese and whey production facilities located in Tennessee and Minnesota. The co-op processes over one billion pounds of milk annually and provides a diverse range of cheese and whey products to food services, retail stores, schools, industrial facilities, and international customers. The existing equipment is outdated and not functioning efficiently, which drives up operating costs and hurts profitability and Bongards is expanding and upgrading the equipment in its manufacturing facility. The expansion and upgrade will modernize operations, increase the Perham facility's production capacity, improve its product quality, and create 22 new full-time jobs. Located in a rural area, Bongards will help to invigorate the local economy and will create quality and accessible jobs for the people living in the distressed community. It is also expected to meaningfully stimulate the area's dairy production and be an important contributor to the overall vitality of Minnesota's dairy industry.



## 2024 Round 19 Snapshot

### Calhoun Liberty Hospital



#### **\$8,000,000 Qualified Equity Investment**

**Location:** Blountstown, Florida  
Non-Metropolitan Census Tract  
Underserved State

**Poverty Rate:** 24.8%

**Unemployment Rate:** 8.9%, 1.07x the national average

Calhoun Liberty Hospital, a rural critical access hospital, is building a new 39,479 square foot hospital with two operating rooms, physical therapy, respiratory therapy, wound care and I.V. infusion treatment facilities in non-metro Blountstown, Florida. The new facility will provide primary and advanced health care services and serve as a replacement for the former 50-year-old hospital damaged in Hurricane Michael in 2018 which tore 80% of its roof off causing the hospital to greatly curtail operations after losing 15 of its 25 beds. Construction of a new facility is necessary as it is cost prohibitive to bring the old, damaged building back to code and to full operational efficiency. The new hospital is expected to serve 23,000 individuals, 75% of which are estimated to be from the low-income community, and support over 30,000 visits annually. Without the Calhoun Liberty Hospital, residents in this rural, medically underserved area must travel over 50 miles to receive emergency care, made much more difficult due to the lack of public transportation available.

## 2024 Round 19 Snapshot

### Salvation Army of Metro Atlanta



**\$9,000,000 Quality Equity Investment**

**Location:** Atlanta, Georgia

**Poverty Rate:** 47.4%

**Unemployment Rate:** 23.9%, 2.88x the national average

Salvation Army of Metro Atlanta is constructing an approximately 46,000 square feet, five-story addition to its current Red Shield Shelter, which will include 230 emergency shelter beds (a 52% increase), an education and workforce development center, medical exam rooms, laundry rooms, and common areas. The Salvation Army of Metro Atlanta is the first phase of a broader campus redevelopment and will include extensive renovations to the existing 46,000 square foot homeless shelter to improve sleeping areas, case management, and kitchen/dining space. The 230 new beds will accommodate homeless men, with 69 beds specifically set aside for veterans. Currently, the shelter is experiencing cramped conditions and does not have enough separation between the male and female residents, creating safety concerns. With this addition, the beds in the existing facility will be dedicated to women and families, eliminating the safety concern caused by overcrowding. The education and workforce development center will provide courses focused on GED preparation, computer literacy, job readiness, and entry-level job training.

## 2024 Round 19 Snapshot

### Rich Products



#### **\$8,000,000 Qualified Equity Investment**

**Location:** Brownsville, Texas

Underserved State

**Poverty Rate:** 35.7%

**Median Family Income:** 40%

**Unemployment Rate:** 10.8%, 2x the national average

Founded in 1945 and still family owned, Rich Products Corporation (Rich), a supplier of frozen cakes, confectionaries, desserts, seafood, family meals, appetizers, artisan breads, and other products is expanding their appetizer product distribution and warehouse space, adding 159,000 square feet, thereby doubling the size of their existing facility and equipping new production lines in Brownsville, Texas. Rich Products will create 132 full-time, quality manufacturing and warehousing jobs (70% minority). All jobs will offer wages above the area's MIT living wage provide opportunities for overtime, as well as regular bonuses and significant opportunities for advancement for entry-level employees. All full-time employees will undergo extensive job training and will be offered a generous benefits package that includes medical, dental and vision insurance, 401k, education reimbursement, and disability and life insurance. Rich is also committed to funding scholarships for low-income people and residents.

## DVCI Advisory Board



**Chairman - Robert K. Jenkins, Jr.**  
Renaissance Equity Partners  
Senior Managing Director



**Dale Royal**  
Atlanta LISC  
Executive Director



**Tomas Duran**  
Concerned Capital  
President



**Monica Edwards**  
TruFund  
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**James D. Howard, Jr.**  
Dudley Ventures  
President



**Leah Rogan**  
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Managing Director



**James R. Klein**  
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**Carlos N. Sanchez**  
Proceed, Inc.  
Chairman



**Chimeka Gladney**  
Truist  
SVP / NMTC Relationship Manager



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River Ridge Capital Advisors  
Director



**Tara Krebbs**  
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DVCI welcomes you to submit comments/feedback online at: [dudleyventures.com/dvci](https://dudleyventures.com/dvci)

DV Community Investment is an equal opportunity provider.