



## Initiative Capital Community Impact Criteria

It is an express goal of the North Carolina Community Development Initiative Capital, Inc. to encourage lending that achieves measurable community impact. The following is a list of Community Impact Criteria that are acceptable under this program. Each loan must clearly demonstrate that it meets the standards under at least **two** of the criteria categories.

### **Job Creation and Retention**

To qualify under this category, the number of jobs created or maintained should generally meet or exceed the most current SBA 504 benchmarks for applicable loan amounts. However, if it can be demonstrated that the jobs being created are higher wage or salary jobs, a lower ratio of jobs per dollar may be considered. If this is the only category under which the loan qualifies, borrowers are strongly encouraged to provide employment opportunities with “living wages”.

### **Activities that Revitalize or Stabilize Low-to-Moderate Income Communities**

To qualify under this category, a high percentage of the proceeds of the loan should be used to facilitate the utilization of property, or for construction or rehabilitation of property. Also, the property should generally be located in a census tract that is eligible for New Markets Tax Credits (NMTC). However, if it can be clearly demonstrated that the immediate community is an economically distressed or declining area, the project may be considered even if it is not located in an NMTC-eligible census tract.

### **Activities involving Projects Located in Targeted Business Development Areas**

To qualify under this category, the project must be located in an area that faces difficulty in attracting businesses because of its prior use or current conditions. Prominent sub-categories in this category include:

- Brownfields or environmentally damaged property
- De-commissioned bases from the federal armed services (see next item)
- Business District Revitalization: A project located within a business area of a community with a recognized revitalization or redevelopment plan that encourages business development as a means of enhancing the economic productivity of the area. There should be a recognized local program to assist businesses locating in the area that may include incentives provided by the community.
- Assisting businesses in Labor Surplus Areas as defined by the Department of Labor.
- Rural Development: A project located in any political subdivision or unincorporated area in a non-metropolitan county (as defined by the Economic Development Division, Economic Research Service, U.S. Department of Agriculture regulations) or the equivalent thereof.

### **Serving Disadvantaged Populations as Business Owners**

To qualify under this category, the business to which the loan is being provided must have at least a 51% ownership by individuals in one of the following groups:

- Minority groups as specified by the SBA policy and/or regulations, including African Americans, Hispanics, Asian-Pacific Islanders, Native Americans
- Women
- Physically disabled

### **Serving Not-for-profit Businesses**

To qualify under this category, the borrower must qualify as a not-for-profit business under the Federal tax code.

### **Other Identified Community Impacts**

To qualify under this category, the loan should address particular criteria that have been identified in local, regional or state initiatives as having an important public impact. Examples of such criteria include: the support of businesses that provide for the recycling of waste materials, the support of projects that conserve water or energy, providing financing to businesses that export a significant portion of their products (e.g. 20% or more), etc.



#### **About Initiative Capital:**

*The North Carolina Community Development Initiative Capital, Inc. is a community-based financial intermediary certified as a Community Development Financial Institution (CDFI) by the CDFI Fund. Formed in 1999, it works very closely with its parent company, the North Carolina Community Development Initiative, Inc. Together, these nonprofit institutions provide capital and technical assistance to community development corporations (CDCs) and other locally-controlled nonprofit organizations that seek to revitalize low-income communities throughout North Carolina.*

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