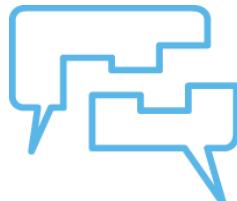


NH & RA - Exploring Targeted Populations  
Bonita Springs, Florida  
February 23, 2011

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Let's talk about an opportunity.



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## Agenda



1. Overview of the current guidance on targeted populations
2. Presentation of case studies relative to:
  - \*Employee based targeted population test funding
  - \*Employer based targeted population test funding
  - \*Services based targeted population test funding
3. Presentation of case study relative to utilizing targeted populations as a means of qualifying a qualified site as highly distressed
4. Comments, Questions and Discussion

## Targeted Populations Guidance



### Two Categories

**Low-Income Targeted Population (LITP)** – The LITP is comprised of low-income persons. An individual is considered to be “low-income” if the individual’s *family income*, adjusted for family size is not more than 80% of the metropolitan area median family income or for non-metropolitan areas is not greater than the greater of either the statewide non-metropolitan area median family income or the actual area median family income for the statistical area where the project is located.

**GO-Zone Targeted Population (GZTP)** – The GZTP is comprised of persons who were displaced and or lost their principal source of employment as a result of Hurricane Katrina. In order to meet this test the place of residence/employment must be within the FEMA designated areas as having sustained extensive damage as a result of Hurricane Katrina. Only specifically targeted allocations apply to the use of this test.

## Targeted Population Guidance



Because there is a limited range of application of the GZTP, we will be concentrating only on the LITP component of the targeted population guidance during this discussion. For more information on GZTP, please visit:

[WWW.CDFIFUND.GOV](http://WWW.CDFIFUND.GOV) information relative to the GZTP targeted population guidance and testing can be located on this site.

## Targeted Population Guidance



It is interesting to note that the definition provided for targeted population includes the following language:

Certain individuals, or an identifiable group of individuals including an Indian Tribe, who (A) are low-income persons; or (B) otherwise lack adequate access to loans or equity investments.

The foregoing test for LITP only provides a basis for defining (A) in this statement.

## LITP Guidance



In general the QALICB must be located in a census tract where the median family income does not exceed 120% of the applicable median family income. Exceptions are provided for low-population census tracts in non-metropolitan areas and low-population census tracts zone for commercial or industrial use. In these instances seek additional direct guidance from the Fund.

## LITP Guidance



- In general if a QALICB is located in a census tract which meets the initial family median income requirements, then the following tests may be applied to determine if it meets targeted population test criteria:
  - At least **40%** of its employees are members of the targeted population (LITPs)
  - At least **50%** of the entity is owned by members of the targeted population (LITPs)
  - At least **50%** of its total gross income for any taxable year is derived from sales, rentals , services or other transactions with **members** of the targeted population (LITPs).