TELACU CENTER

TELACU

Building Communities
with Partners Like You

A pioneering institution committed to ***service, empowerment, advancement,*** *and the creation of* ***self-sufficiency.***

For more than 40 years, TELACU has been improving the lives of individuals and families through community development, economic empowerment and educational advancement. TELACU is the largest Community Development Corporation in the United States.

ABOUT TELACU | REAL ESTATE DEVELOPMENT | CONSTRUCTION & CONSTRUCTION MANAGEMENT | FINANCIAL SERVICES | EDUCATION FOUNDATION

Reading of Interest

TELACU/Millennium President & CEO Introduces President Obama Obama Delivers Key Address on Education
U.S Hispanic Chamber of Commerce (USHCC) Board Chairman

Recent News

David Lizarrága Op Ed on Proposed AT&T/T-Mobile Merger
April 29, 2011

Local builders upset over Gov. Brown's budget plans
Michael Lizarraga, 49, of Glendora, weighs in on Gov. Jerry Brown's budget proposal to eliminate

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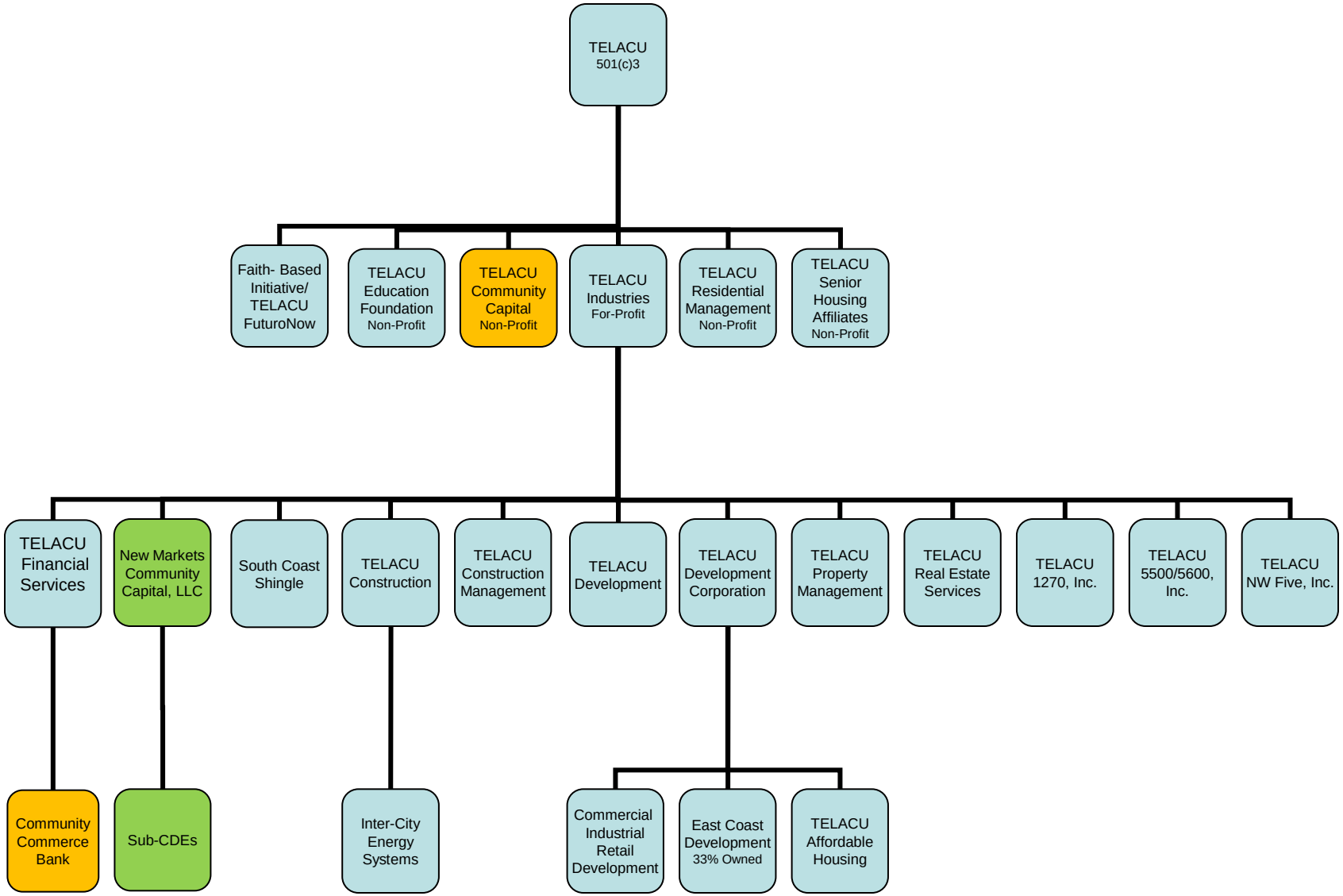
TELACU Organization Chart



TELACU COMMUNITY CAPITAL

- A nonprofit CDFI with $10 million in assets operates 5 economic development lending programs. These revolving loan funds are obtained in part through the Dept. of Commerce/EDA, the CDFI Fund and local banks and financial institutions.

- TCC makes business loans ranging from $5,000 to $750,000 to qualified clients operating within federally designated special impact areas in the Los Angeles and Orange Counties.

- Loan proceeds can be utilized for financing real estate, working capital, machinery, inventory and debt restructuring. The historical portfolio for the 5 programs includes 100 loans for a total of $ 20.5 million.

New Markets Community Capital, LLC (NMCC) has been the recipient of $145 million in New Market Tax Credit (NMTC) allocations from the United States Treasury Department. NMCC utilizes the NMTC Program to build public-private partnerships and make investments that create jobs, generate important services, and lead to advancement and self-sufficiency for the residents of highly distressed low-income communities in California.

Through its NMTC allocation, NMCC has successfully partnered with the city of Los Angeles Community Development Department, HUD, US Bank, JP Morgan Chase, Greenline Ventures, LLC, Centennial Bank, and Citibank, to deploy $145 million of NMTC's into communities throughout California. NMCC was able to provide flexible financing on exceptionally favorable terms not otherwise available in the marketplace for qualified commercial, retail and industrial developments allowing for a more effective redevelopment of communities, the creation of jobs and increased economic activity.

Pico Hauser Plaza, LLC

Pico Hauser Plaza is an example of a successful recent NMCC funding. This qualified low income community investment (QLICI) originated from TELACU's ongoing relationship with the city of Los Angeles Community Development Department (CDD). A small, minority developer was seeking $8.6 million in NMTC financing to construct a neighborhood retail center of approximately 13,000 sq. ft. The center will target small, local business owners by offering 8 spaces under 1,000 sq. ft. to retail tenants. The construction jobs will pay prevailing wage rates and over 50% of the permanent jobs will be targeted to the local community. The Project is in a highly distressed area and is within the Central City Community Redevelopment Area and the Central City Revitalization Area. CDD is providing $4.4 million of HUD Section 108 funds to the project through the NMTC structure.

Children's Institute of Los Angeles

NMCC contributed $28.34 million in NMTC's to fund two QLICI's totaling $28.05 million to construct a 48,000 sq ft community center which will serve 5,000 families annually in Los Angeles. The project will be owned and operated by Children's Institute (CII), a highly regarded and well established nonprofit with over 100 years of service to children and families traumatized by abuse, neglect, and domestic and community violence. The facility will serve children from birth to age 18 along with their parents and caregivers. It will also allow CII to serve the surrounding neighborhood through a variety of programs. Tremendous need exists for these services as LA County reports more than 150,000 child abuse cases and more than 40,000 calls to police for domestic violence annually. It is estimated that more than 1/3 of families in LA County live below the poverty level. Further, RAND found that up to 90% of LA middle school students have been victims of or witnesses to violence. The new facility will allow CII to better meet the needs of at-risk children and families. The project will also support 225 permanent jobs and 122 construction jobs. The project is located in an area of high distress with a poverty rate of 38.2%, a median income of 46.7%, and an unemployment rate 3.7 times the national average.

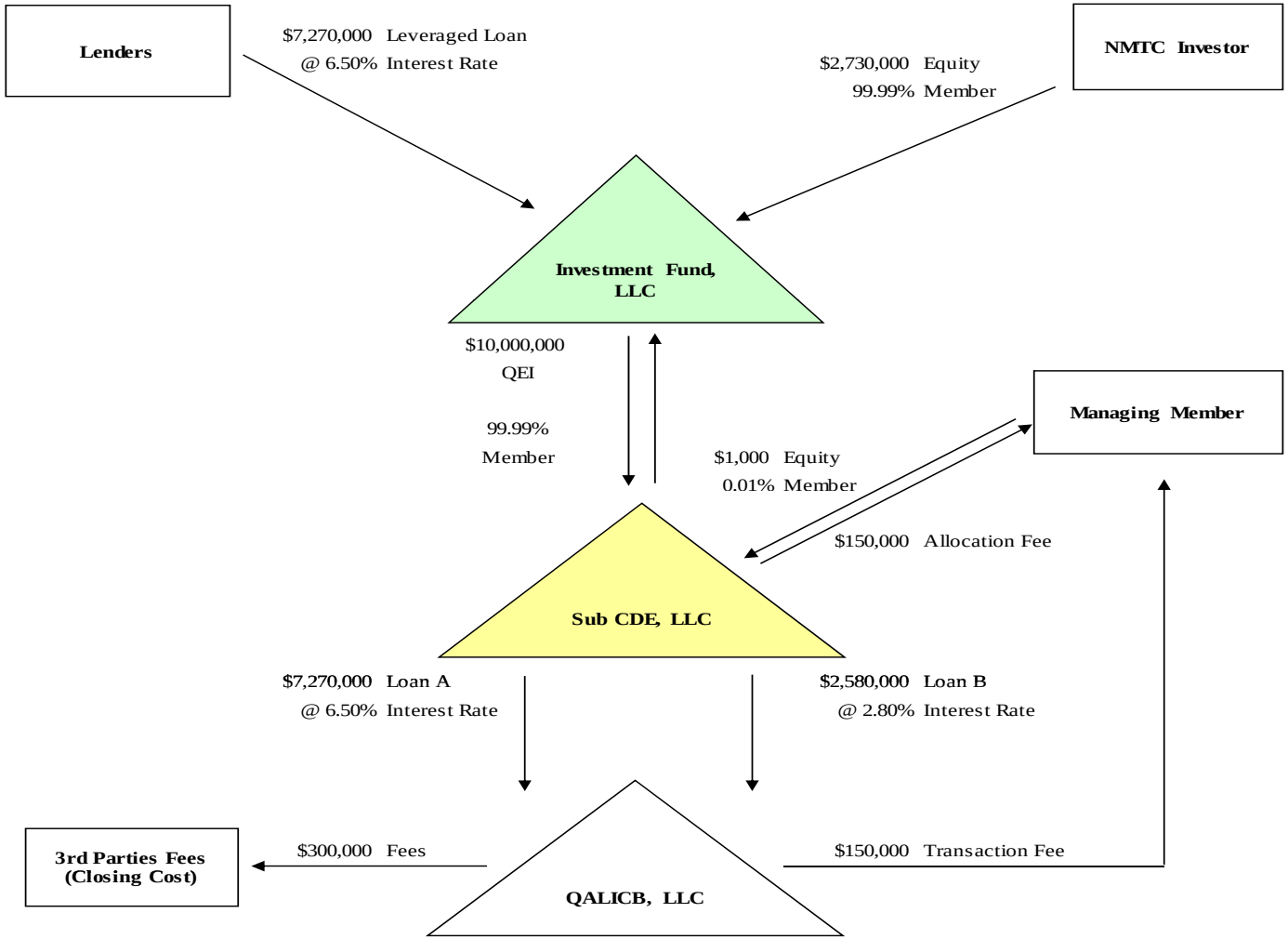
NMTC financing played a critical role in this project. As a non-profit, CII's potential funding sources were very limited. Typically, non-profits are not allowed to use program funds for facility acquisition. Traditional funding is also limited because of a nonprofit's limited cash flow to service debt. Like many non-profits, CII chose to launch a capital campaign raising $20 million against a need of $28.6 million. NMCC bridged the gap with a QLICI loan with an interest rate at just under 1%.

Sharp Medical Center

NMCC contributed $15.89 million of NMTC's for two QLICI's totaling $15.7 million to construct a new, 68,000 square foot replacement facility for Sharp HealthCare in downtown San Diego. The new LEED Gold facility will replace an existing, adjacent facility which has been in operation since 1926. The new building will allow Sharp to significantly expand services including uncompensated care for patients unable to pay, and unreimbursed costs of public programs such as Medicaid, Medicare, San Diego County Indigent Medical Services, Civilian Health and Medical Program of the Department of Veterans Affairs, and the regionally managed health care program for active duty and retired members of the uniformed services, their families and survivors (TRICARE). The project is in an area of high distress with a median income of 43.4% and an unemployment rate of 2.2 times the national average.

Total projects costs were $39.7 million. Sharp was able to raise $29 million for the project, but a sizeable gap remained. NMCC used NMTCs to bridge the gap providing 2 QLICI's at an interest rate of 1.26% interest only for 7 years. Two other CEDs also provided NMTC financing to bridge the gap and bring the project to fruition.

NEW MARKETS TAX CREDIT
ENTITY FLOW CHART



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