



Tax Credit Finance and Opportunity Zones

(Tax) credit where credit is due. Nationwide.

**We pride ourselves at Spencer Fane on identifying the best development incentives for real estate projects and getting deals done for clients. We do this by assembling teams of lawyers who are deeply knowledgeable about local, state, and federal investment incentives, experienced in equipping their clients to qualify for tax credits and other incentives, and able to respond quickly and strategically to incentive opportunities.**

## Overview

### **Shortening learning curves around new and existing programs**

With a thorough understanding of the intricacies of state and federal incentive programs, our Tax Credit Finance and Opportunity Zones team works with clients to quickly identify and capitalize on the programs that create the greatest amount of resources for their projects.

We make clients aware of development incentive opportunities they otherwise didn't know were possibilities and, with our mastery of highly technical knowledge, responsiveness, and communicative approach, we provide the legal foundation to facilitate efficient closings and bringing multimillion dollar projects to life.

### **Deconstructing complexity, building opportunity and value**

Our Tax Credit Finance and Opportunity Zones attorneys work exclusively with stakeholders in the real estate industry who can facilitate the completion of often complicated residential, commercial, and industrial real estate projects. We are passionate about this work, bringing together real estate developers, lenders, and investors on tax credit financing and opportunity zone matters to structure and close deals efficiently.

We enjoy the opportunity to advise clients and organizations dedicated to improving communities and investing in new markets and for-profit and nonprofit organizations looking to utilize affordable housing and tax credit financing, public-private partnerships, and community development entities.

### **Bringing a keen eye to a very dynamic deal space**

Leveraging long-standing relationships throughout the industry nationwide, our team frequently works with government agencies, state legislators, economic development groups, and tax credit coalitions to remain apprised of important tax and legal developments, including available tax credits and regulations governing opportunity zones. We take a collaborative approach when interacting with these stakeholders to facilitate and pursue unique opportunities for clients.

## Experience

- Kansas City, Missouri, Chatham Apartments – Senior housing utilizing 4% LIHTC, state and federal HTC, HOME, and 353 real property tax abatement.
- Kansas City, Missouri, Roaster's Block – Adaptive reuse of Folger's Manufacturing Plant utilizing federal and state HTCs and a 353 real property tax abatement. Post-Historic Boardwalk and Rev. Proc. 2014-12.
- Lawrence, Kansas, 9 Del Lofts – Historic redevelopment of warehouse space into affordable housing units utilizing LIHTCs, state and federal HTCs, and tax exemption.
- Oklahoma City, Oklahoma, Skirvin Hotel – Oldest hotel in Oklahoma City. It opened in 1911 and was closed in 1988. The hotel was purchased from the city in 2005, and rehabilitation was financed with federal and Oklahoma Historic Tax Credits, federal New Markets Tax Credits, Empowerment Zone Tax Credits, and Tax Increment Financing.
- St. Louis, Missouri, Freedom Place – Transitional housing for homeless veterans redeveloped using 9% LIHTC, federal and state HTCs, and a 353 real property tax abatement.
- San Antonio, Texas, Drury Plaza Hotel River Walk – The building is a 24-story Beaux-Arts-style skyscraper built in the 1930's. Rehabilitation involved Federal Historic Tax Credits and Federal New Markets Tax Credits.
- Springfield, Missouri, Hotel Vandivort – Adaptive reuse of office space into boutique hotel utilizing Chapter 100 bond financing, state and federal HTCs, and sandwich lease structure. Post-Historic Boardwalk and Rev. Proc. 2014-12.
- Troy, New York, Hudson Art House – 4% tax exempt bond financing with state and federal HTCs, IRB sales, and property tax exemption.
- Denver, Colorado – Represented direct owner and LIHTC syndication fund with over \$1 billion in LIHTC assets.
- Kansas City, Missouri, Faxon School Apartments – Adaptive reuse of abandoned school building utilizing 4% tax exempt bond financing, state and federal LIHTC and HTCs, and Chapter 99 real property tax abatement.
- Manhattan, New York, Battery Maritime Building – Renovation of the historic building using federal Historic Tax Credits.
- Cincinnati, Ohio, St. Aloysius Orphanage – Renovation and expansion of the historic building to provide space for a school and social services helping disadvantaged children, using state and federal New Markets Tax Credits and federal Historic Tax Credits.
- El Paso, Texas – Renovation of historic structure to provide space for a regional food bank, using federal New Markets and Historic Tax Credits.
- Washington, D.C. – Renovation of historic structure to provide space for temporary housing and social services for homeless people, using federal New Markets and Historic Tax Credits.
- Gettysburg, Pennsylvania, Seminary Ridge – Renovation of historic structure to provide space for an interactive Civil War museum, using federal New Markets and Historic Tax Credits.
- Roanoke, Virginia – Renovation and expansion of historic structure to provide space for a regional cultural center, using federal New Markets and Historic Tax Credits and Virginia Historic Tax Credits.
- Oklahoma City, Oklahoma – Renovation of historic structure to provide space for a regional history museum, using federal and Oklahoma Historic Tax Credits.

## Areas of Focus

### Historic Rehabilitation Tax Credits

**Monetizing federal and state historic tax credits on projects nationwide.** Conversant with both federal and state-specific requirements for Historic Rehabilitation Tax Credits (HTCs), the Spencer Fane HTC team has advised clients across the country on development projects involving historic buildings. Such programs have played a major role in revitalizing buildings throughout the U.S. designated as historic landmarks.

**Maneuvering through complexities.** Our HTC attorneys help developers, lenders, syndicators, and investors to navigate through the details, qualify for tax credits, structure and secure needed financing, and close redevelopment deals efficiently.

**Monitoring the HTC deal landscape.** Our team stays informed on developments in legislative and regulatory matters to ensure the continued vibrancy of federal and state Historic Tax Credit programs.

**Maximizing impact.** Frequently, an HTC can be combined with other tax credits, such as Low-Income Housing Tax Credits and New Markets Tax Credits, to facilitate the development of the most difficult projects.

## Low-Income Housing Tax Credits

**Nurturing the connections and relationships nationwide that get low-income housing projects done.**

Spencer Fane Tax Credit attorneys work with real estate developers, investors, syndicators, and nonprofit organizations to maximize the benefits available to them through both federal and state tax credit programs to assist in creating affordable housing projects that benefit qualified low-income households.

**Comprising both real estate and tax attorneys,** our team:

- **Handles all types of projects,** including new construction and rehabilitation of existing buildings, projects combining low-income and market-rate units, and projects involving nonprofit partners.
- **Works in all types of markets** – urban, suburban, and rural – and **submarkets,** including housing designed specifically to serve veterans, to provide an assortment of supportive services, or to operate as senior housing.
- **Knows the nuances of state housing agency applications and filing requirements.**
- **Leverages deep knowledge of the universe of complex issues** – including housing, tax, and regulatory compliance issues and requirements, and special design and build requirements – to address unique challenges creatively and efficiently.

## New Markets Tax Credits

**Minimizing risk and protecting the interests of stakeholders in NMTC projects.** Working with community development entities, community development financial institutions, developers, and investors nationwide, our NMTC team:

- **Provides full-service representation,** identifying incentive opportunities for clients, structuring and analyzing transactions, negotiating and drafting necessary documents, and delivering tax opinions.
- **Helps developers** to secure the most favorable terms, including the ability to combine the NMTC with other available tax credit opportunities.
- **Helps lenders** properly document adequate collateral to secure loans and provides guidance to successfully close tax credit transactions.
- **Prioritizes responsiveness** in helping clients work through complex NMTC deals.

## Opportunity Zones

**Maximizing benefits for stakeholders and the community.** Spencer Fane Tax Credit Finance attorneys work with clients to capitalize on tax advantages associated with opportunity zone (OZ) investments and helping structure funds and close transactions that involve the use of OZ equity.

Our clients include real estate developers, lenders, syndication clients, and investors.

**Experienced in real estate investment as well as tax credit matters**, members of the Spencer Fane OZ team:

- **Guide developers** through the development of a property in a QOZ.
- **Help investors** with investments in a Qualified Opportunity Fund (QOF).
- **Connect developers with investors** to do OZ deals.
- **Identify other tax-credit funding sources** that may be combined with OZ funding.

## **Renewable Energy Tax Credits**

**Completing projects that benefit stakeholders and the environment.**

Clients interested in wind, solar, and geothermal tax breaks benefit from our firm's deep knowledge across the spectrum of issues that can impact renewable energy projects.

**Focused always on making renewables projects feasible and profitable**, our team:

- **Represents all relevant stakeholders**, including sponsors, developers, investors, and lenders as well as utilities and other entities that have a stake in a renewable energy transaction but don't directly benefit from the tax credit.
- **Structures transactions** that take full advantage of available credits, including investment tax credits (ITC) typically used with solar projects and production tax credits (PTC), which are based upon the output of the system and most often used for wind turbines.
- **Has deep experience troubleshooting** common issues and clearing obstacles that can impair renewable energy deals.
- **Provides ongoing compliance counsel**, continuing to assess regulatory requirements once a project is active, to help avoid any hurdles that could result in disqualification or otherwise reduce financial benefits.