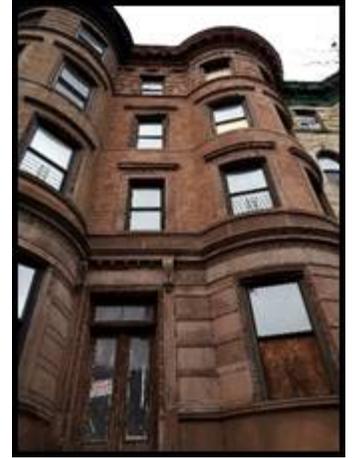


# Case Study: New York Tax Credit Equity Fund

## Project Background

Cherrytree has acted as the General Partner and created a proprietary Tax Credit Fund which includes 7 projects, located in several different states. This Fund is managed by Cherrytree for a single investor. This investor is a family office based out of North Carolina. Cherrytree formed the Fund, raised all the necessary money for the Fund, and is now managing the Fund. The placed in service date for these individual projects ranges from September 2019 to March 2020. This Fund has created millions of dollars of tax savings and depreciation for its investors.



The projects involved the adaptive re-use of four brownstone Historic buildings located at 767 Saint Nicholas Avenue (the “767 Building”), 719 Saint Nicholas Avenue (the “719 Building”), 813 Saint Nicholas Avenue (the “813 Building”) and 1850 Amsterdam Avenue, Harlem, NY (the “1850 Building”). The 767, 719, and 813 buildings are located in the Hamilton Heights/Sugar Hill Historic District, while the 1850 property is part of 32 NY Police Precinct, a landmarked group of buildings.

In addition to the brownstone buildings in New York, there are three other historical projects that make up this Fund, located in Georgia, Massachusetts, and Florida. With 7 different buildings in this proprietary Tax Credit Fund, tax related benefits, including tax credits and depreciation in the amount of \$12,000,000 have accrued to the Fund’s investors. The make up of the financial benefits were \$10,000,000 of tax credits and \$2,000,000 of depreciation.



## The Tax Credit Equity Fund

A family office with a federal tax liability of at least \$10,000,000 agreed to be the Fund’s limited partner. Once the Fund was created and funded, the investor’s funds were able to flow through to several created entities in which the Developer is a 1% member and the Fund is a 99% member. Construction of the projects is underway, and due to the Fund’s investment, the projects are projected to be placed in service in 2019 and 2020, generating the tax credits with both a 2019 and a 2020 vintage. The tax credits will flow from the properties to the Fund, and thereafter to the investors.

Total Tax Credits	\$10,000,000
Depreciation	\$2,000,000
Total Benefits	\$12,000,000

