



NEW **MARKETS** TAX CREDIT **New Member Briefing Report** Congresswoman Jennifer Wexton

VA-10

nmtccoalition.org

A report on the loans and investments in Virginia's 10th CD and beyond
Above: The historic Snapp Foundry in Winchester, VA which was rehabilitated into a health center

NMTC IMPACT IN VIRGINIA

JOBS AND INVESTMENT

—now—
HIRING **14.3K**
JOBS STATEWIDE

The NMTC created 14,305 Virginia jobs, including:

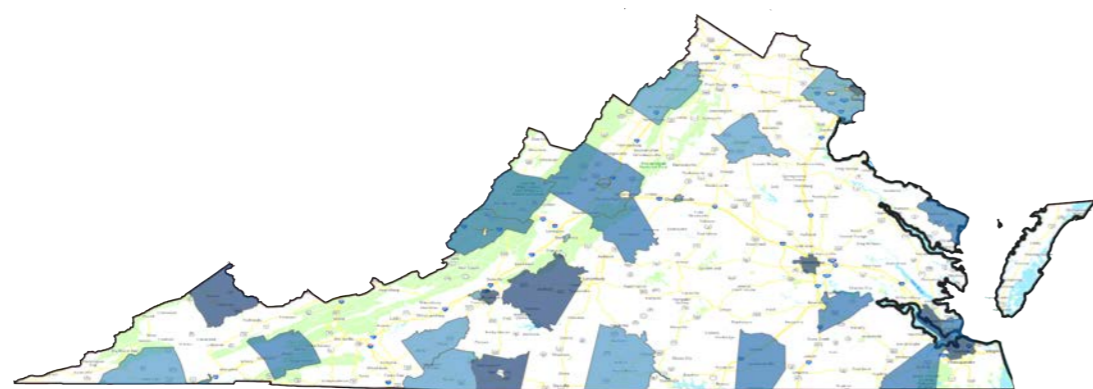
- 8,306 construction jobs;
- 5,999 full-time-equivalent jobs.

70
PROJECTS FINANCED IN VIRGINIA

The NMTC made 70 Virginia projects possible, including manufacturing expansions, business incubators, hospitals, vocational training centers, and daycare centers.

\$1.4B
IN TOTAL CAPITAL TO VIRGINIA

The NMTC delivered \$1.4 billion to Virginia businesses and revitalization projects that would not have been possible but-for the NMTC.



**NMTC Investment by County
2003-2018**

- \$0 - \$100,000
- \$100,000 - \$250,000
- \$250,000 - \$500,000
- \$500,000 - \$1,000,000
- \$1,000,000 - \$10,000,000
- \$10,000,000 - \$50,000,000
- \$50,000,000+

Through September 30, 2018

NMTC IMPACT IN VA-10

INVESTMENT AND PROJECT EXAMPLES

2
PROJECTS FINANCED IN VA-10

2 NMTC projects have been financed in Virginia's 10th Congressional District.

\$33.5M
IN TOTAL CAPITAL IN VA-10

The NMTC delivered \$33.5 million in total capital to businesses and revitalization projects in Virginia's 10th Congressional District.



Our Health Community Services Complex Phase 2 Winchester, VA

Rehabilitation of the SNAPP Foundry INC building into a healthcare and social services campus including child care and eldercare



People Incorporated of Virginia Manassas, VA

Community Development Entity with an office in Manassas, VA that serves Buchanan, Dickenson, Russell, Washington, Shenandoah, Clarke, Warren, Page, Frederick, Culpeper, Fauquier, Rappahannock, and Prince William Counties and the cities of Bristol, Manassas, and Manassas Park.

ABOUT THE NMTC

AFTER DECADES OF CUTS TO COMMUNITY DEVELOPMENT GRANT PROGRAMS, COMMUNITIES INCREASINGLY COUNT ON THE NEW MARKETS TAX CREDIT TO MAKE IMPORTANT INVESTMENTS POSSIBLE

The New Markets Tax Credit (NMTC) is an important source of financing for businesses and community facilities in America's most distressed rural and urban communities. Congress authorized the NMTC in 2000 to bring down the cost of capital in communities outside of the economic mainstream. Taxpayers receive a 39 percent tax credit (taken over seven years) for qualified investments into Community Development Entities (CDEs), organizations with a track record of loans and investments in underserved areas. CDEs use the proceeds of those investments to finance business expansions, community facilities, and other projects prioritized by communities.

ECONOMIC IMPACT

CREATING JOBS

The NMTC has delivered \$80 billion total project financing to over 5,000 projects, creating 1,000,000 jobs at a cost to the federal government of less than \$20,000 per job.

JUMP-STARTING MANUFACTURING

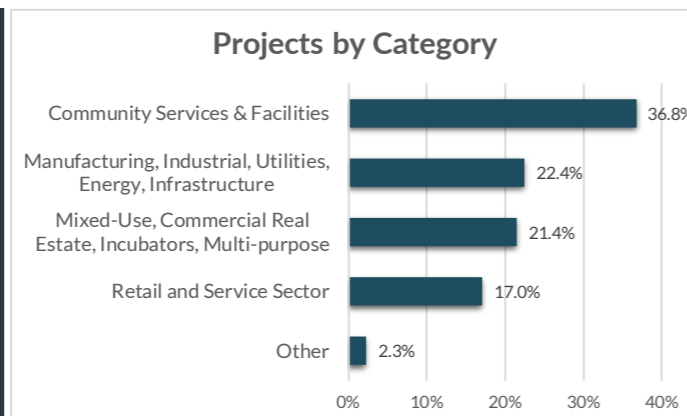
From the outfitting of maker-spaces to the construction of large plants, the NMTC provides nearly \$1 billion annually to manufacturing & industrial facilities.

ENHANCING SERVICES

Over one-third of NMTC financing goes to YMCAs, hospitals, childcare centers, nonprofits, arts & cultural amenities, & other facilities vital to healthy communities.

INDEPENDENT EVALUATION

An independent compliance review by Summit Consulting found that program participants are significantly lowering the cost of capital for borrowers in low-income communities and exceeding statutory and regulatory requirements for the targeting of economic distress.



EXTENSION LEGISLATION

The NMTC expires December 31, 2019. Without the NMTC, hard-hit communities will lose access to billions of dollars for high-impact projects.

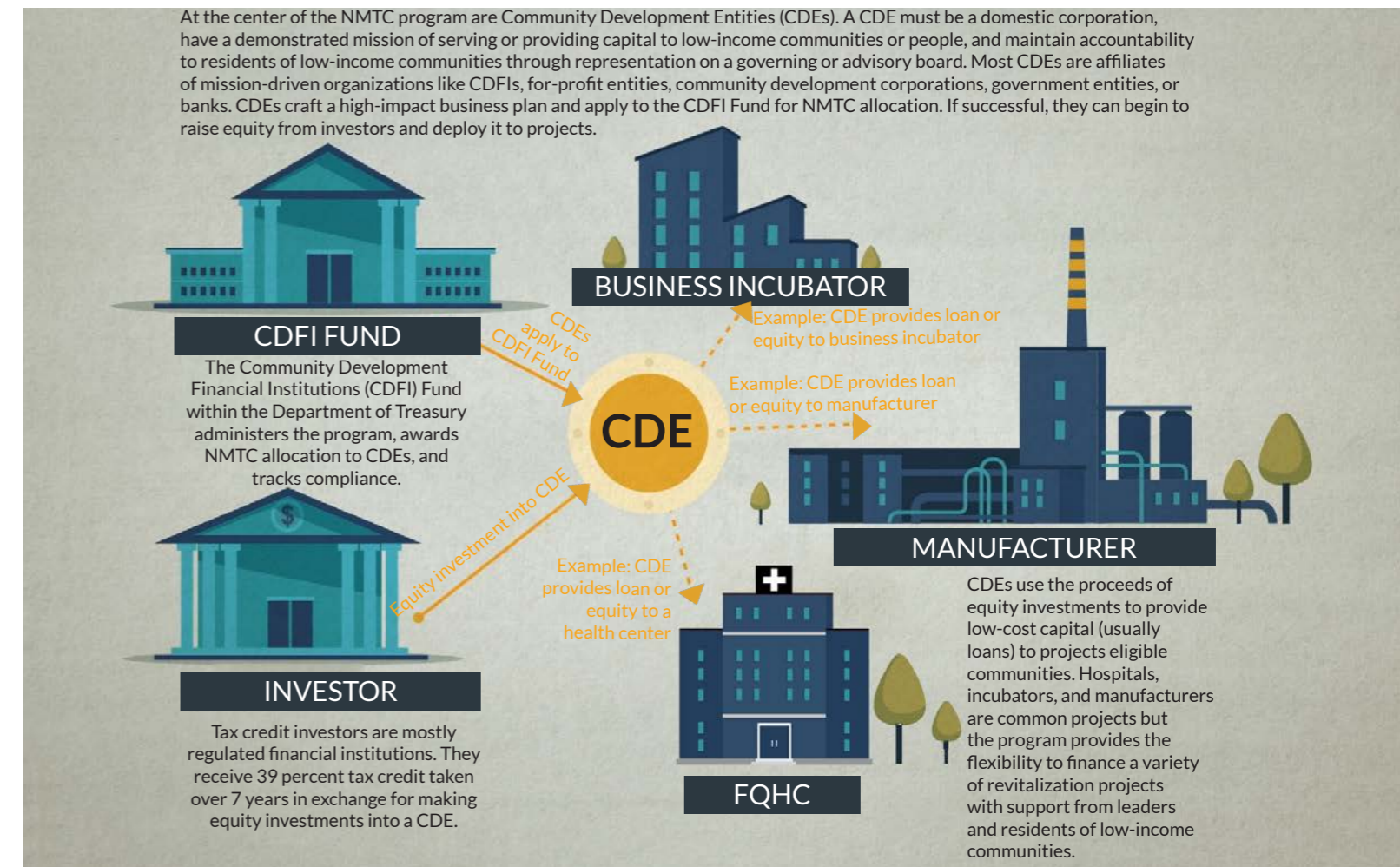
Extension legislation has been introduced by Sens. Roy Blunt (R-MO) and Ben Cardin (D-MD) in the Senate and Reps. Terri Sewell (D-AL) and Tom Reed (R-NY) in the House. **The New Markets Tax Credit Extension Act of 2019 (H.R. 1680/S. 750).**

The legislation would: provide an indefinite extension to the NMTC; increase allocation authority, adjusted for inflation; improve tax credit pricing and expand the investor-base by providing AMT relief to NMTC investors

In the 115th Congress, 123 members of the House and Senate from both parties cosponsored the NMTC Extension Act of 2017 (S. 384 and H.R. 1098).

HOW IT WORKS

MOBILIZING CAPITAL FOR HIGH-IMPACT PROJECTS



ELIGIBLE COMMUNITIES

NMTC projects must be located in census tracts with poverty rates of at least 20 percent or median incomes at or below 20 percent of the area median. However...

75% of NMTC projects are located in **severely distressed communities** that far exceed the statutory requirements for distress.

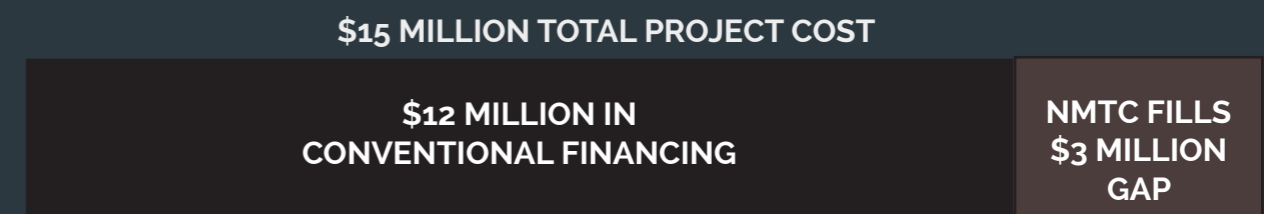
WHAT ABOUT RURAL?

The NMTC statute directs the CDFI Fund to ensure NMTC allocation reaches a proportional share of non-metropolitan counties.

23% of NMTC projects were located in non-metropolitan counties in 2017.

GAP FINANCING

Example: Imagine a business needs \$15 million to expand a production facility and purchase new equipment to meet growing demand. The business can only come up with \$12 million from a conventional lender. The NMTC fills the gap and makes the expansion possible.



ONLINE RESOURCES

NMTC Coalition:	nmtccoalition.org
State Fact Sheets:	nmtccoalition.org/state-fact-sheets
Project Maps	nmtccoalition.org/map
Project Profiles:	nmtccoalition.org/stories
How It Works Video:	nmtccoalition.org/how-it-works
Research:	nmtccoalition.org/research
Statute:	nmtccoalition.org/statute
CDFI Fund:	cdfifund.gov



Above: The SNAPP Foundry INC building was rehabilitated into a healthcare facility.

NEW MARKETS TAX CREDIT COALITION

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