



NEW MARKETS TAX CREDIT New Member Briefing Report Congressman Salud Carbajal

CA24

nmtccoalition.org

A report on the loans and investments in California's 24th CD and beyond
Above: Community Health Centers of the Central Coast Healthcare Clinic

NMTC IMPACT IN CALIFORNIA

JOBS AND INVESTMENT



92K

The NMTC created 92K California jobs.

JOBS STATEWIDE



525

The NMTC made 525 California projects possible, including manufacturing expansions, business incubators, hospitals, vocational training centers, and daycare centers.

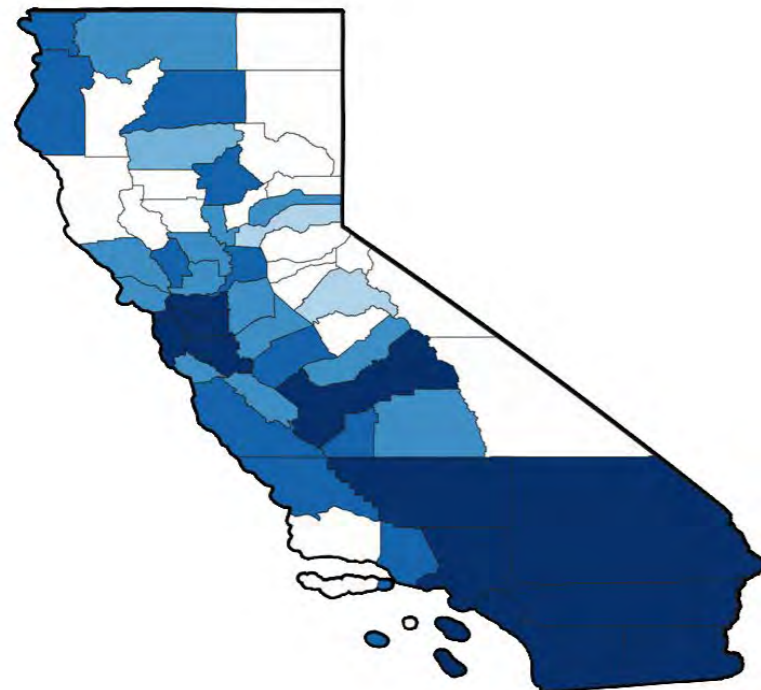
PROJECTS FINANCED IN CALIFORNIA



9B

The NMTC delivered \$9B to California businesses and revitalization projects that would not have been possible but-for the NMTC.

IN TOTAL CAPITAL TO CALIFORNIA



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 PROJECT IN CA24



COMMUNITY HEALTH CENTERS OF THE CENTRAL COAST HEALTHCARE CLINIC Lompoc, Paso Robles, CA

Construction of a new 27,500 sq. ft. facility in Lompoc, CA to replace an existing leased facility in Lompoc, and the renovation of a 21,300 sq. ft. leased facility in Paso Robles, relocating some services currently housed at the existing Paso Robles site.

The centers will serve a combined 29,000 patients through 104,000 visits, creating 120 full-time jobs and 91 construction jobs. CHC classifies the locations as supercenters — facilities with extended operating hours that provide a full range of health care services — including primary care for all ages, optometry, dentistry, chiropractic care, mental health, nutrition, lab, pharmacy, and other specialty services.

More than 90 percent of CHC's patients live below 200 percent of the federal poverty level; 17 percent are uninsured. Moreover, the patient population is less healthy than the region as a whole — a disproportionate number are undergoing treatment for diabetes, cancer, mental health, and sexually transmitted diseases.

The new state-of-the-art facilities in Lompoc and Paso Robles will expand critical and life-saving primary care to an underserved agricultural region.

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 \$95 billion in total project financing to nearly 6,000 projects creating 1,000,000 jobs at a cost to the federal government of less than \$20,000 per job.

JUMP-STARTING MANUFACTURING

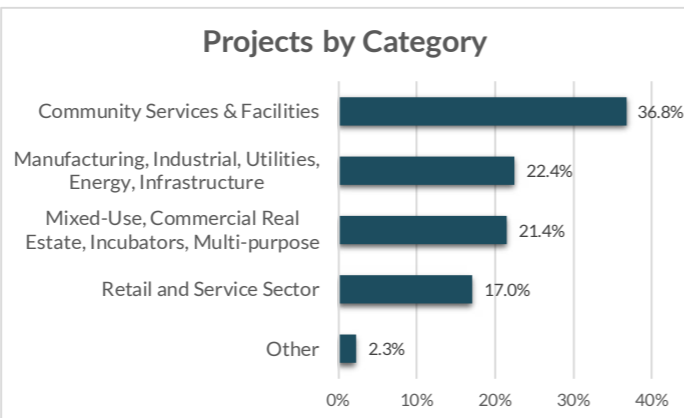
From the outfitting of maker-spaces to the construction of large plants, the NMTC provides nearly \$1 billion annually to manufacturing & industrial facilities.

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.



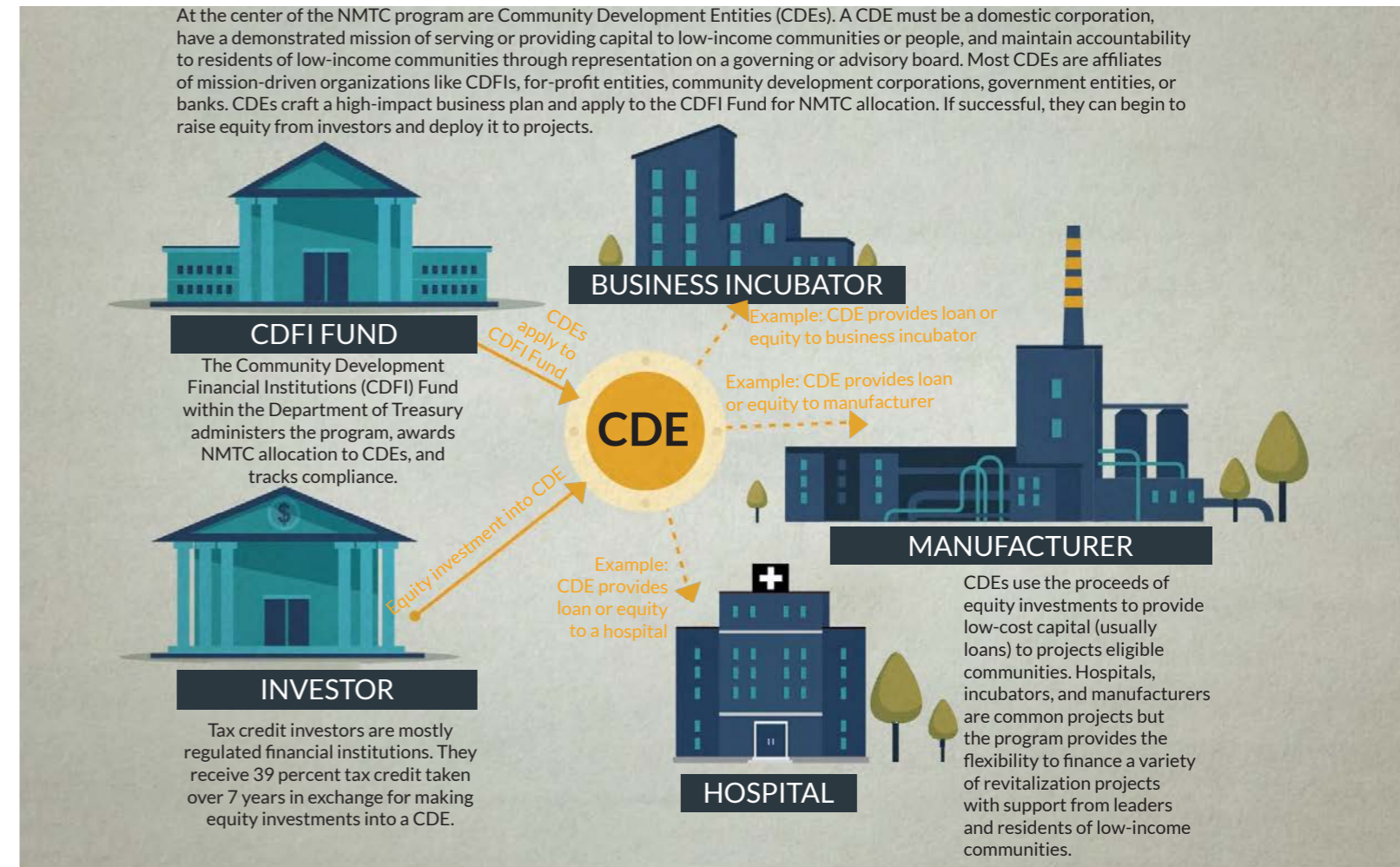
EXTENSION LEGISLATION

The New Markets Tax Credit, one of our most effective tools for community revitalization, expires at the end of 2019. Join the effort to extend the NMTC, preserving billions for manufacturing expansions, community health centers, and other important projects in America's hardest hit communities by building support for the New Markets Tax Credit Extension Act of 2019 (H.R. 1680/S. 750), which would make the NMTC permanent and increase the allocation amount.

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.

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.

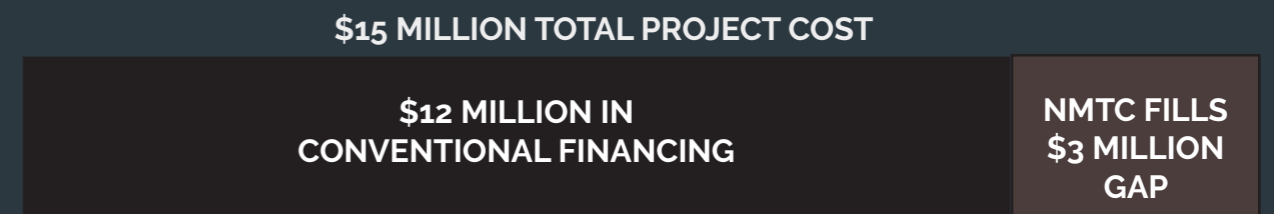
WHAT ABOUT RURAL?

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



NEW MARKETS TAX CREDIT COALITION

1155 15th Street Northwest
Suite 400
Washington, DC 20005

+1-202-204-4500
info@nmtccoalition.org
[@nmtccoalition](https://www.instagram.com/nmtccoalition)