



NEW MARKETS
TAX CREDIT COALITION



NEW **MARKETS** TAX CREDIT **New Member Briefing Report** Congresswoman Barbara Lee

CA13

nmtccoalition.org

A report on the loans and investments in California's 13th CD and beyond

NMTC IMPACT IN CALIFORNIA

JOBS AND INVESTMENT



92K

JOBS STATEWIDE

The NMTC created 92K California jobs.



525

PROJECTS FINANCED IN CALIFORNIA

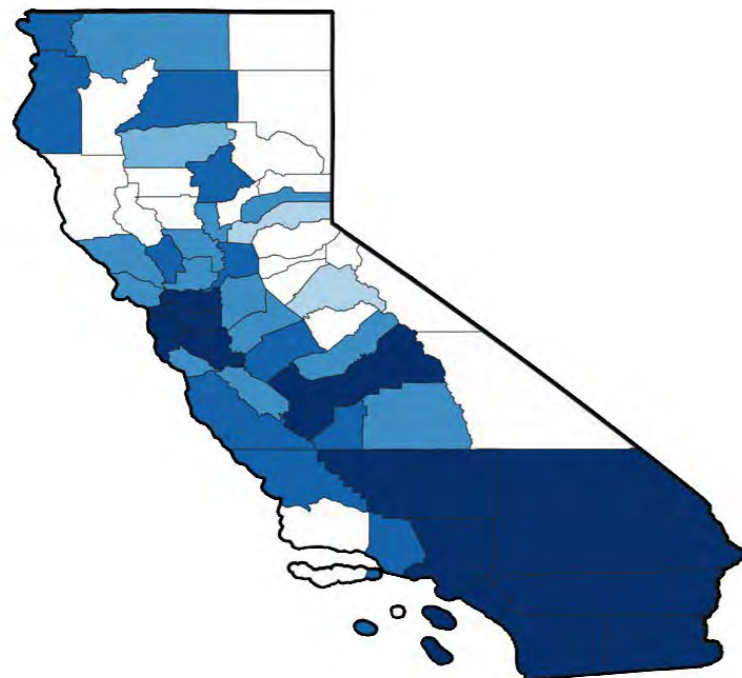
The NMTC made 525 California projects possible, including manufacturing expansions, business incubators, hospitals, vocational training centers, and daycare centers.



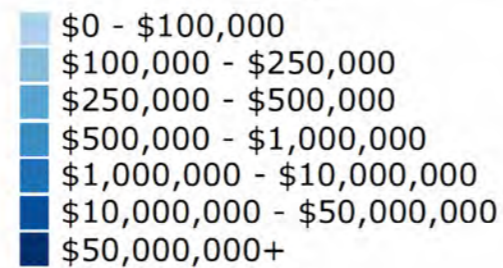
\$9B

IN TOTAL CAPITAL TO CALIFORNIA

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



NMTC Investment by County 2003-2018



Through September 30, 2018

NMTC IMPACT IN CA13

INVESTMENT AND PROJECT EXAMPLES



54

PROJECTS FINANCED IN CA13

Three NMTC projects have been financed in the 13th Congressional District.



\$654.1M

IN TOTAL CAPITAL IN CA13

The NMTC delivered \$654.1M in total capital to businesses and revitalization projects in the 13th Congressional District.



LAO FAMILY COMMUNITY DEVELOPMENT East Oakland, CA

Rehabilitation of a 30,000 sq. ft. building for CARE Center, serving as its new headquarters, as well as a multi-service community facility.



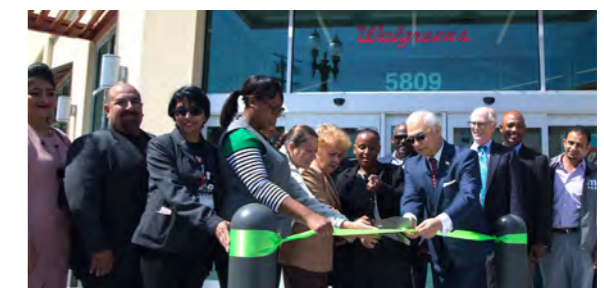
GIRLS INC. OF ALAMEDA COUNTY Oakland, CA

Renovation of historic building for regional headquarters and resource center for girls, helping increase the number of girls served in the region by 25% annually.



ED ROBERTS CAMPUS Berkeley, CA

80,000 sq. ft. national center for independent living in Berkeley. The project includes offices and shared facilities, such as conference rooms, reception, exhibit space, and a fitness center specifically designed for people with wide-ranging disabilities.



SEMINARY POINT RETAIL CENTER Oakland, CA

27,000 sq. ft. store in a low-income community. It is an anchor development, representing the first significant retail investment in the area in more than two decades and creating 125 jobs, 54 permanent.

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

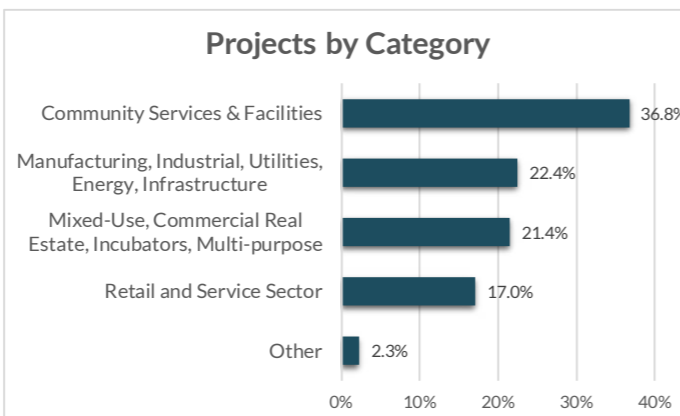
The New Markets Tax Credit (NMTC) is an important source of financing for businesses and community facilities in America's most distressed rural and urban communities. Congress authorized the NMTC in 2000 to bring down the cost of capital in communities outside of the economic mainstream. Taxpayers receive 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



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.



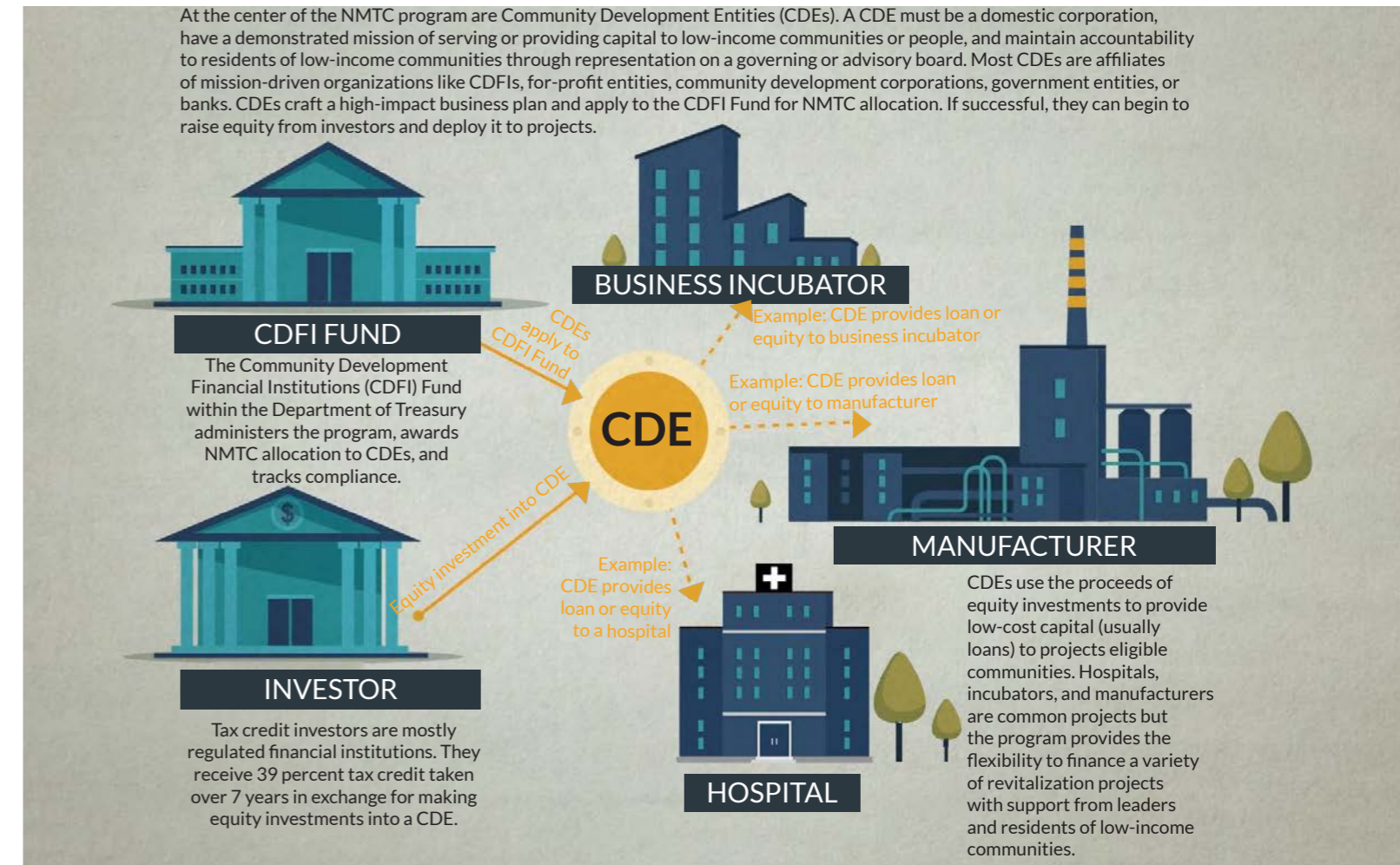
EXTENSION LEGISLATION

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.

\$15 MILLION TOTAL PROJECT COST

**\$12 MILLION IN
CONVENTIONAL FINANCING**

**NMTC FILLS
\$3 MILLION
GAP**

ONLINE RESOURCES

NMTC Coalition:

State Fact Sheets:

Project Maps

Project Profiles:

How It Works Video:

Research:

Statute:

nmtccoalition.org

nmtccoalition.org/state-fact-sheets

nmtccoalition.org/map

nmtccoalition.org/stories

nmtccoalition.org/how-it-works

nmtccoalition.org/research

nmtccoalition.org/statute

CDFI Fund:

cdfifund.gov



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