



NEW **MARKETS** TAX CREDIT **Member Briefing Report** Congressman Buddy Carter

GA-01

nmtccoalition.org

A report on the loans and investments in Georgia's 1st CD and beyond
Above: NMTC financed forest tracks in Echols and Clinch Counties, GA

NMTC IMPACT IN GEORGIA

JOBS AND INVESTMENT



20K

JOBS STATEWIDE

The NMTC created 20,102 Georgia jobs, including:

- 8,394 construction jobs;
- 11,708 full-time-equivalent jobs.



75

PROJECTS FINANCED IN GEORGIA

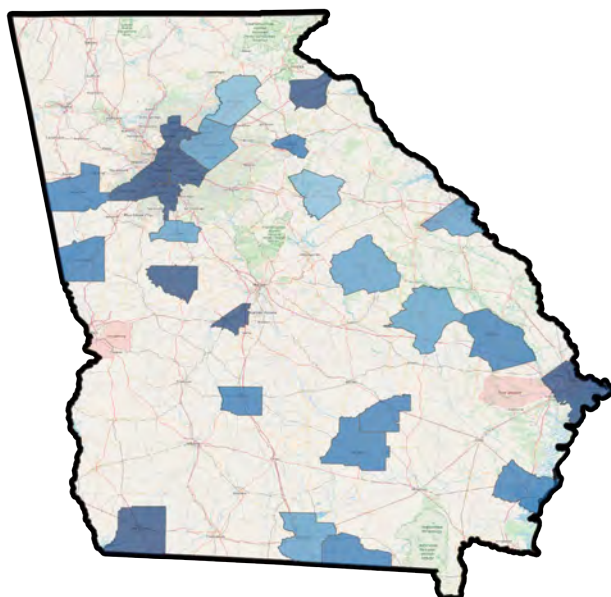
The NMTC made 75 Georgia projects possible, including manufacturing expansions, business incubators, hospitals, vocational training centers, and daycare centers.



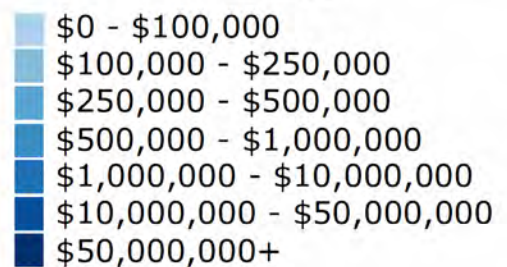
\$1.9B

IN TOTAL CAPITAL TO GEORGIA

The NMTC delivered \$1.9 billion to Georgia 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 GA-01

INVESTMENT AND PROJECT EXAMPLES



8

PROJECTS FINANCED IN GA-01

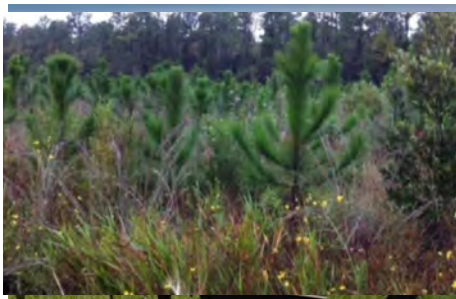
8 NMTC projects have been financed in Georgia's 1st Congressional District.



\$187.5

IN TOTAL CAPITAL IN GA-01

The NMTC delivered \$187.5 million in total capital to businesses and revitalization projects in Georgia's 1st Congressional District.



Echo Renewable Resources LLC Echols and Clinch Counties, GA

NMTC-financing supported purchases 38,538 acres of timberlands to be managed under Sustainable Forestry Initiative standards. Sustainable forestry operations supply to 24 mills in the surrounding communities.



Carver State Bank Small Business Loan Fund Savannah, GA

Carver State Bank partnered with Access to Capital for Entrepreneurs (ACE) on a small business loan fund to finance small ventures in northeast Georgia.



Southeast Georgia Health , Community Care Center Brunswick, GA

The NMTC financed a health care provider in a medically underserved area of Brunswick, GA.

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.



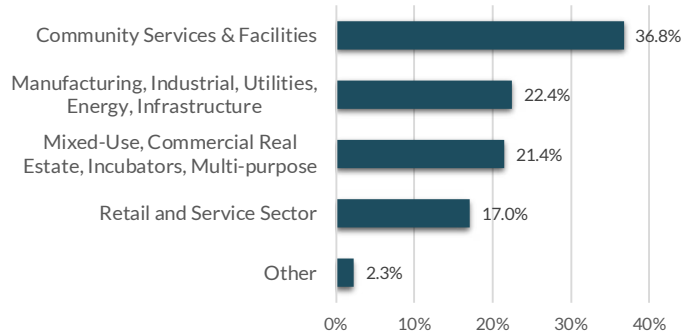
ENHANCING SERVICES

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.

Projects by Category



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.

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), which will be reintroduced soon.

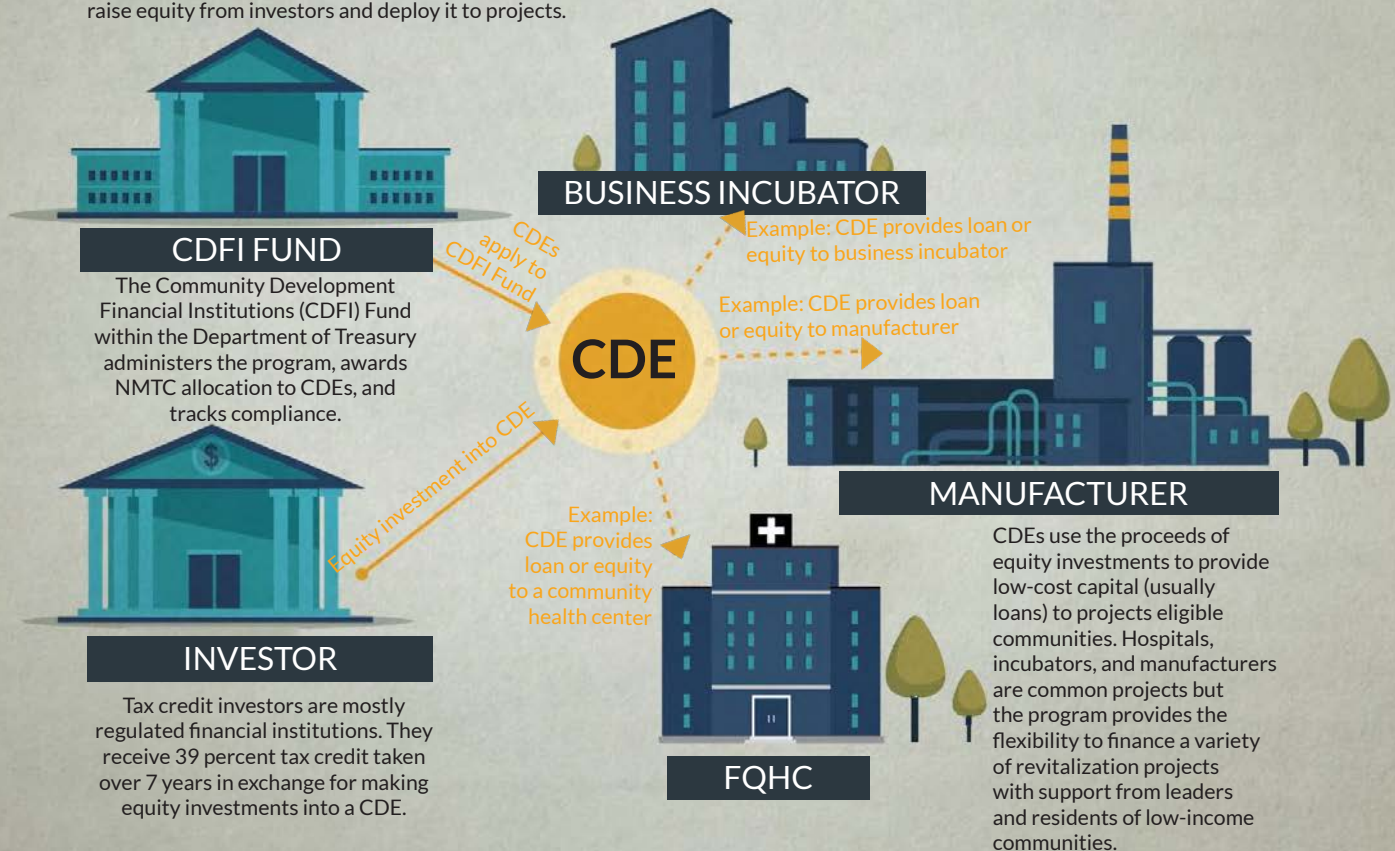
The legislation would: provide an indefinite extension to the NMTC; increase allocation authority, adjusted for inflation; improve tax credit pricing and expand the investor-base by providing AMT relief to NMTC investors

Check the NMTC Coalition's website for updates and more information on extension legislation in the 116th Congress: nmtccoalition.org.

HOW IT WORKS

MOBILIZING CAPITAL FOR HIGH-IMPACT PROJECTS

At the center of the NMTC program are Community Development Entities (CDEs). A CDE must be a domestic corporation, have a demonstrated mission of serving or providing capital to low-income communities or people, and maintain accountability to residents of low-income communities through representation on a governing or advisory board. Most CDEs are affiliates of mission-driven organizations like CDFIs, for-profit entities, community development corporations, government entities, or banks. CDEs craft a high-impact business plan and apply to the CDFI Fund for NMTC allocation. If successful, they can begin to raise equity from investors and deploy it to 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

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| 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: A new health provider in a medically underserved area of Brunswick, GA

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