



NEW MARKETS
TAX CREDIT COALITION



NEW **MARKETS** TAX CREDIT **New Member Briefing Report**

Congresswoman Robin Kelly

DEC 2019 UPDATE

IL02

nmtcoalition.org

A report on the loans and investments in Illinois's 2nd CD and beyond

NMTC IMPACT IN ILLINOIS

JOBS AND INVESTMENT



33K

The NMTC created 33K Illinois jobs.

JOBS STATEWIDE



282

The NMTC made 237 Illinois projects possible, including manufacturing expansions, business incubators, hospitals, vocational training centers, and daycare centers.

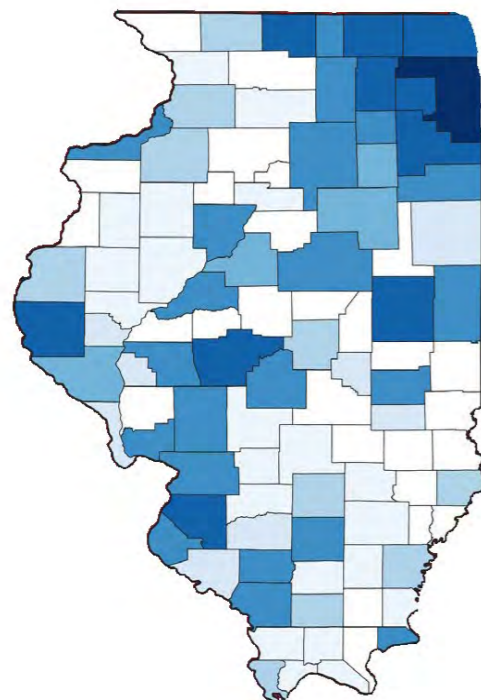
PROJECTS FINANCED IN ILLINOIS



\$3B

The NMTC delivered \$3B to Illinois businesses and revitalization projects that would not have been possible but-for the NMTC.

IN TOTAL CAPITAL TO ILLINOIS



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 IL02

INVESTMENT AND PROJECT EXAMPLES



20

Three NMTC projects have been financed in the 2nd Congressional District.

PROJECTS FINANCED IN IL02



\$289M

The NMTC delivered \$289M in total capital to businesses and revitalization projects in the 2nd Congressional District.

IN TOTAL CAPITAL IN IL02



CHICAGO FAMILY HEALTH CENTER

Chicago, IL

Construction of a 22,000 sq. ft. medical facility, including 21 medical exam rooms; 9 dental operatories with x-ray and lab; and offices for behavioral health, social services, case-management, and healthcare providers. Other elements include a community education facility, conference rooms, staff offices and break areas. It serves some 7,250 unique patients while facilitating a total of about 21,000 visits each year, and 99% of patients have incomes that fall below 200% of the federal poverty level.



METHOD

Chicago, IL

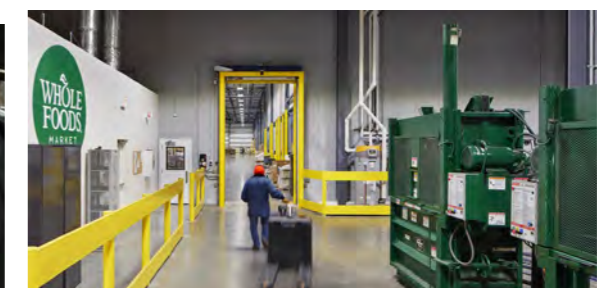
Construction, equipment acquisition, and working capital associated for a 150,000 sq. ft. manufacturing facility located in the Pullman neighborhood. The facility, Method's first in North America, includes a third-party bottle supplier and a rooftop greenhouse operator, in addition to Method's blending, filling, and packaging operations, creating jobs and an industrial hub.



PULLMAN COMMUNITY CENTER

Chicago, IL

The center will provide sports and recreational opportunities to low income residents on Chicago's south side. Individuals, housing authority residents and local teams will be able to utilize the facility at reduced rates.



WHOLE FOODS DISTRIBUTION CENTER

Chicago, IL

Construction of 140,000 sq. ft. warehouse and refrigeration space, serving 26 stores in Chicago as well as 34 locations across the Midwest and Canada and bringing over 100 jobs to the community.

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.

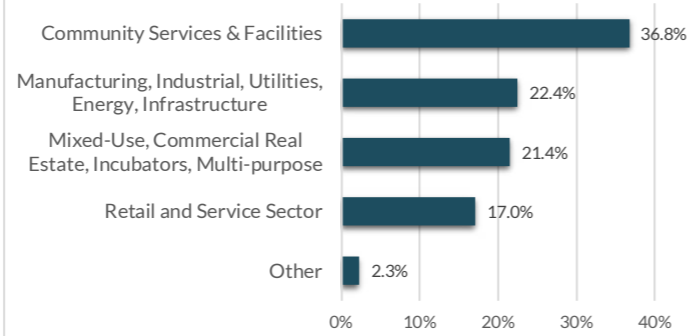
ENHANCING SERVICES

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.

Projects by Category



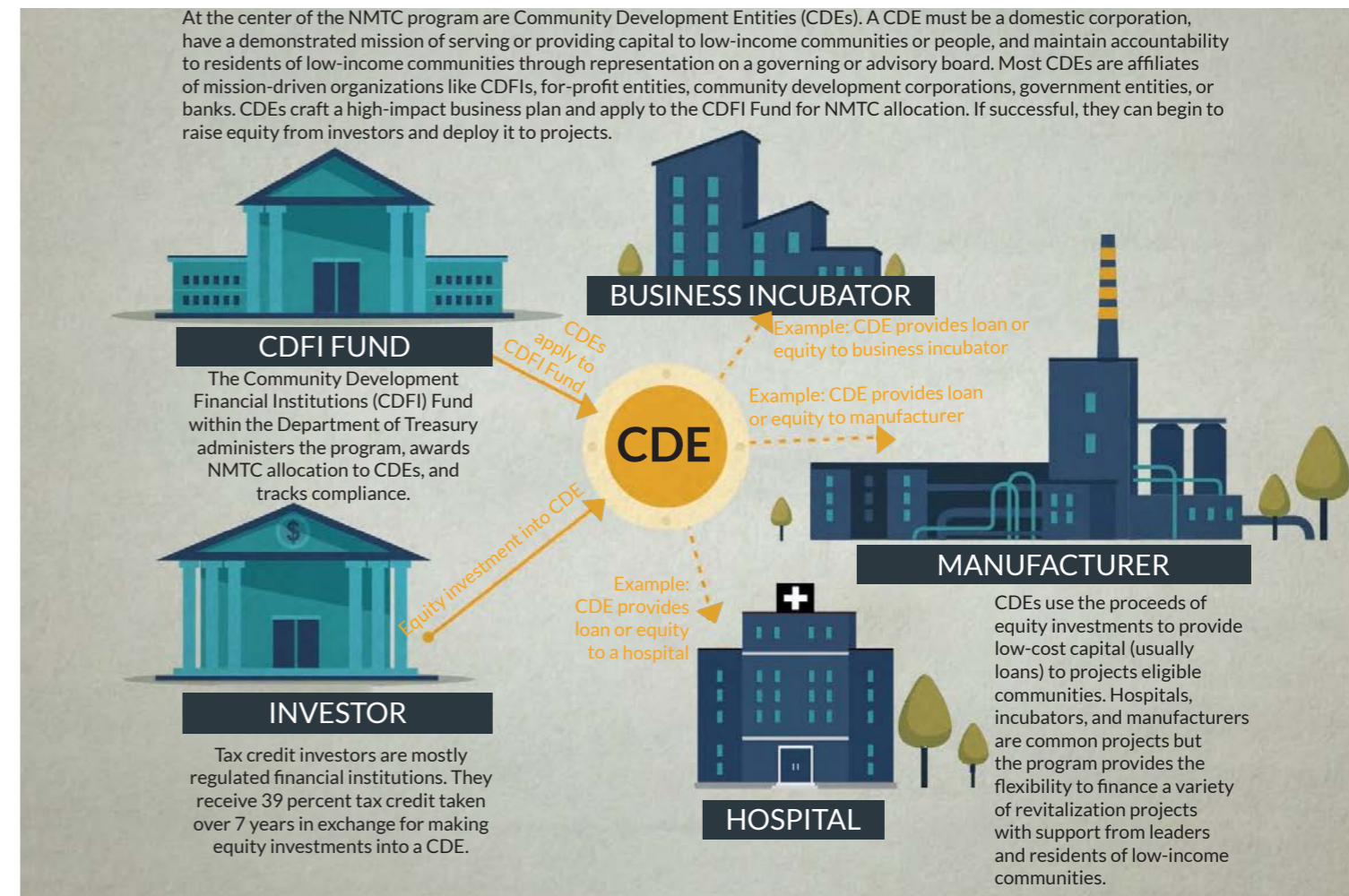
EXTENSION LEGISLATION

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:	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



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