



NEW MARKETS
TAX CREDIT COALITION



NEW MARKETS TAX CREDIT New Member Briefing Report Congressman Elijah Cummings

MD07

nmtcoalition.org

A report on the loans and investments in Maryland's 7th CD and beyond

NMTC IMPACT IN MARYLAND

JOBS AND INVESTMENT



34K

The NMTC created 34k Maryland jobs.

JOBS STATEWIDE



80

The NMTC made 80 Maryland projects possible, including manufacturing expansions, business incubators, hospitals, vocational training centers, and daycare centers.

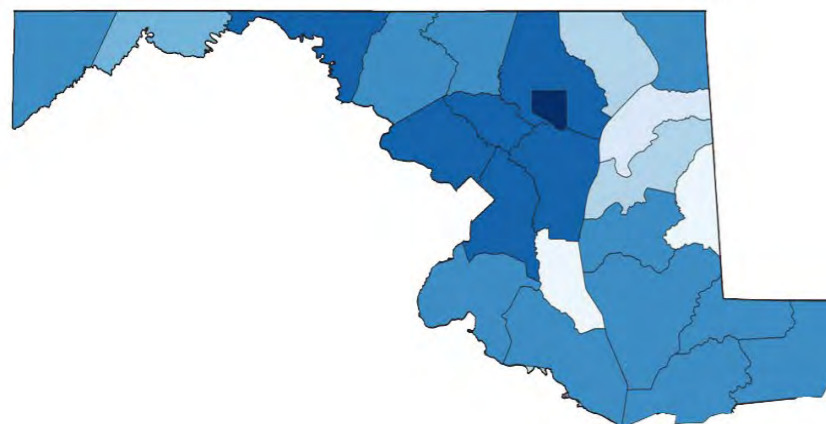
PROJECTS FINANCED IN MARYLAND



\$3.3B

The NMTC delivered \$3.3B to Maryland businesses and revitalization projects that would not have been possible but-for the NMTC.

IN TOTAL CAPITAL TO MARYLAND



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 MD07

INVESTMENT AND PROJECT EXAMPLES



58

58 NMTC projects have been financed in the 7th Congressional District.

PROJECTS FINANCED IN MD07



\$3B

The NMTC delivered \$3B in total capital to businesses and revitalization projects in the 7th Congressional District.

IN TOTAL CAPITAL IN MD07



MILLER'S COURT Baltimore, MD

Mixed-use community designed for Baltimore's teachers, and the organizations that support them and the communities they serve. In addition to providing affordable, green living options, it created a workforce community with a common tenant base, while providing collaborative and economical office space for nonprofits and spurring growth in a disinvested area of the city.



DAYSRING CENTER Baltimore, MD

Residential treatment facility providing a continuum of housing and support services to strengthen sustained recovery and self-sufficiency of homeless families and children who must surmount the barrier of substance abuse.



OPEN WORKS BALTIMORE Baltimore, MD

Fabrication Space for Creative Professionals -manufacturing incubator for creative businesses and artists.



ARCTURUS VERTICAL FARMING Baltimore, MD

Improvements to Volunteers of America Chesapeake to accommodate Arcturus' Controlled Environment Agriculture ("CEA") technology, which uses LED lights to grow plants on vertically stacked levels. As a partner in this indoor farm, VOAC has agreed to contribute generous rent concessions to Arcturus. The farm will be co-located in a residential reentry program.

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

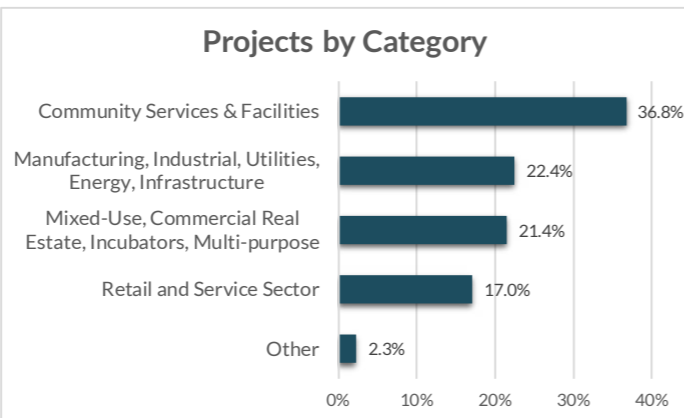
From the outfitting of maker-spaces to the construction of large plants, the NMTC provides nearly \$1 billion annually to manufacturing & industrial facilities.

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.



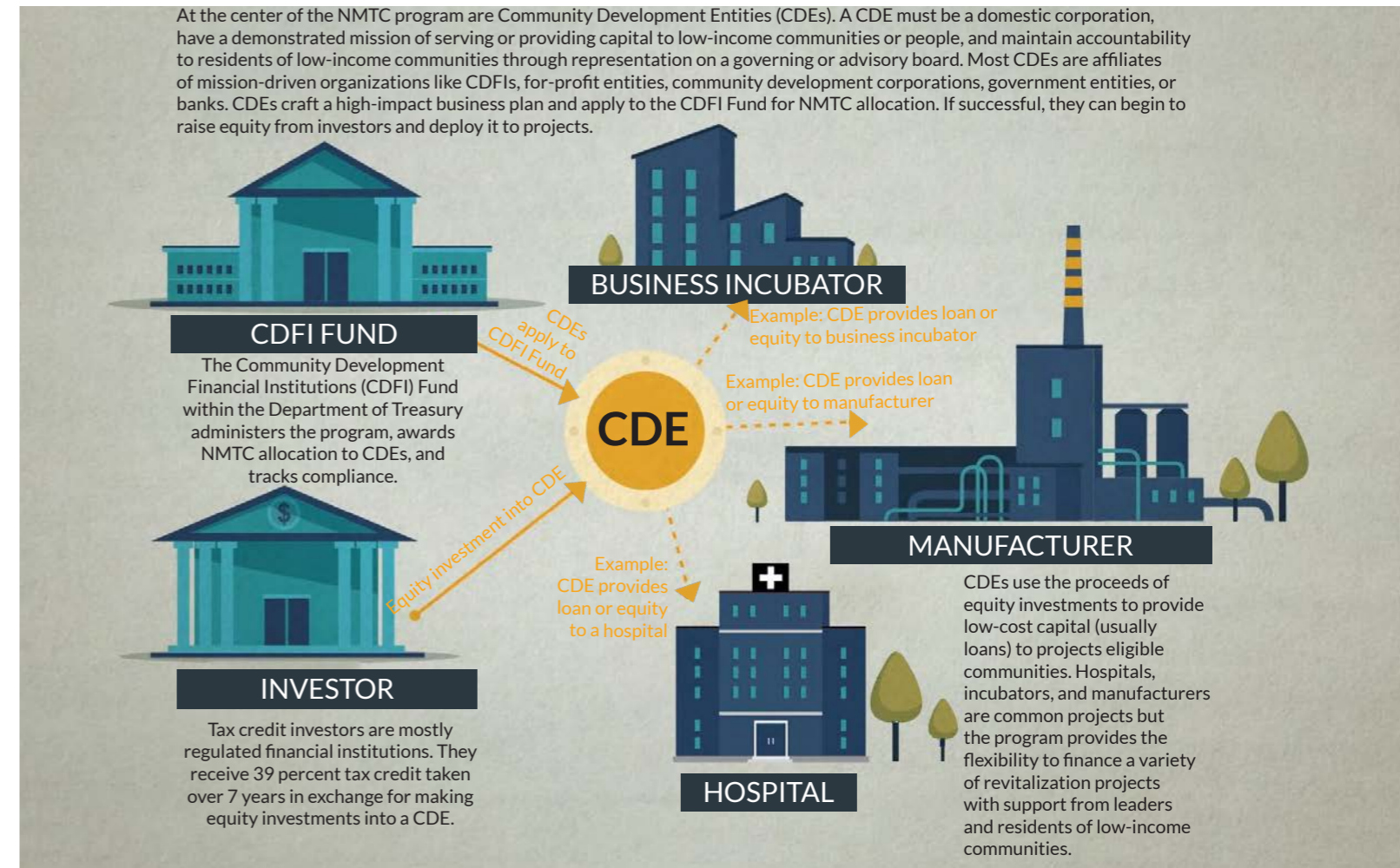
EXTENSION LEGISLATION

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.

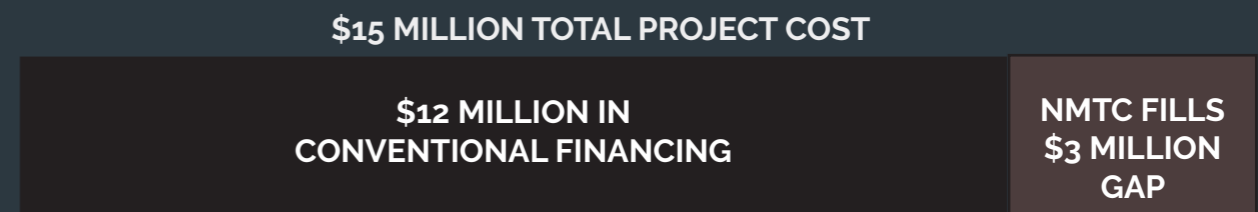
WHAT ABOUT RURAL?

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



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