



**NEW MARKETS**  
TAX CREDIT COALITION



# NEW **MARKETS** TAX CREDIT **New Member Briefing Report** Congresswoman Brenda Lawrence

**MI14**

[nmtccoalition.org](http://nmtccoalition.org)

A report on the loans and investments in Michigan's 14th CD and beyond

# NMTC IMPACT IN MICHIGAN

## JOBS AND INVESTMENT



**29K**

The NMTC created 29K Michigan jobs.

JOBS STATEWIDE



**106**

The NMTC made 106 Michigan projects possible, including manufacturing expansions, business incubators, hospitals, vocational training centers, and daycare centers.

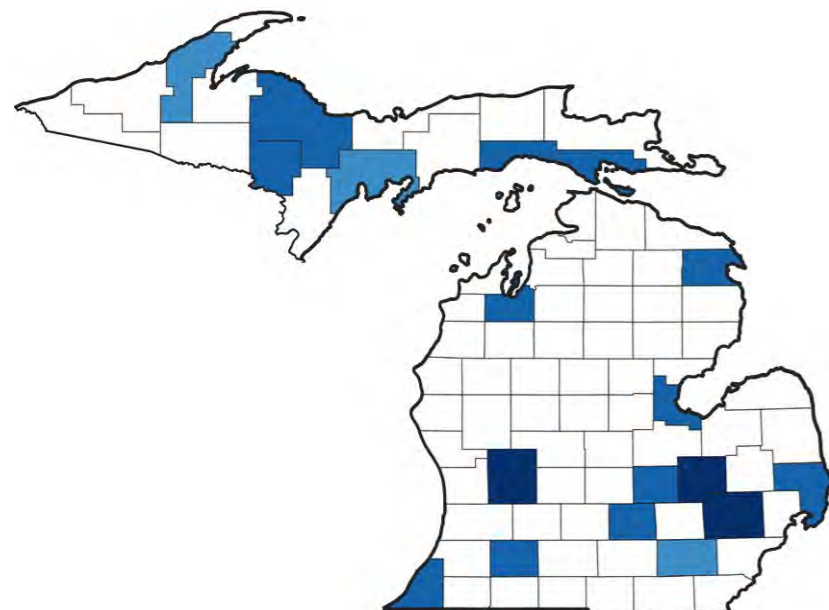
PROJECTS FINANCED IN MICHIGAN



**\$2.4B**

The NMTC delivered \$2.4B to Michigan businesses and revitalization projects that would not have been possible but-for the NMTC.

IN TOTAL CAPITAL TO MICHIGAN



### 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 MI14

## INVESTMENT AND PROJECT EXAMPLES



**23**

23 NMTC projects have been financed in the 14th Congressional District.

PROJECTS FINANCED IN MI14



**\$700.8M**

The NMTC delivered \$700.8M in total capital to businesses and revitalization projects in the 14th Congressional District.

IN TOTAL CAPITAL IN MI14



**DETROIT GATEWAY PARK OUTLET MALL, LLC**  
Detroit, MI

First national grocery/retail store to open in Detroit in over two decades. It brought fresh food options and necessary goods and services to a severely distressed neighborhood, and it provided entry-level jobs with opportunity for advancement.



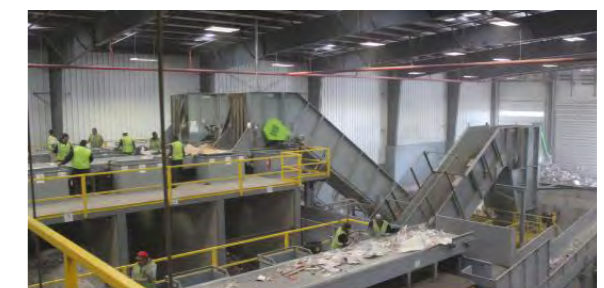
**THE CARY BUILDING REHABILITATION**  
Detroit, MI

Office and retail space, including Great Lakes Contract Group, TubeMogul, and JFM Consulting as tenants.



**IMPERIAL FRESH MARKET**  
Detroit, MI

Expansion of a 30 year old, family-owned grocery store from 23,000 sq. ft. to 39,000 sq. ft. The market is the neighborhood's only full-service grocer. Approximately 58% of its customers use the Supplemental Nutrition Assistance Program and 90% of customers are African American.



**HAMTRAMCK RECYCLING AND TRANSFER STATION**  
Hamtramck, MI

Transformed vacant building into a new, state-of-the-art, 32,000 square foot recycling & transfer center.

# 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

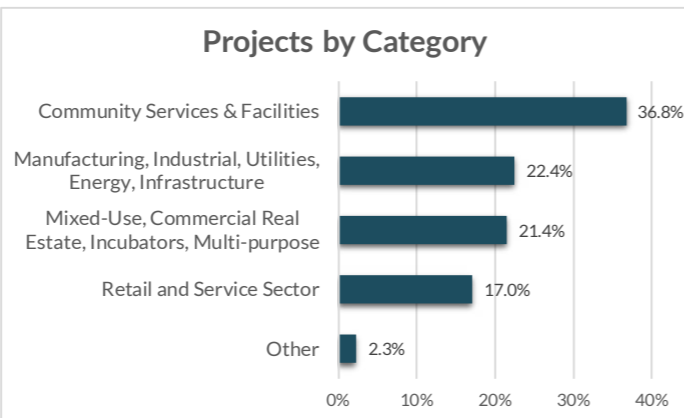
From the outfitting of maker-spaces to the construction of large plants, the NMTC provides nearly \$1 billion annually to manufacturing & industrial facilities.

### 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.



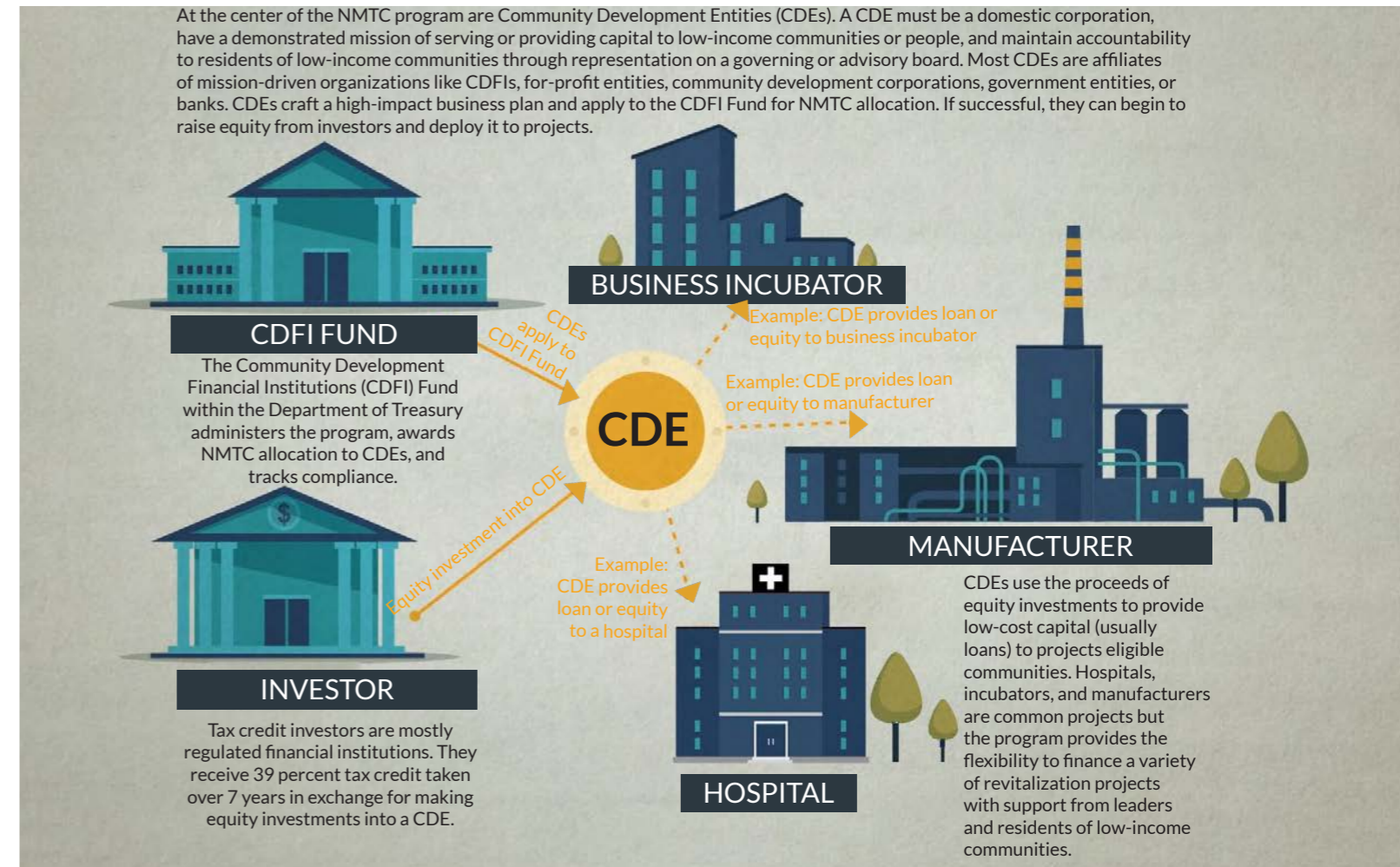
## EXTENSION LEGISLATION

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.

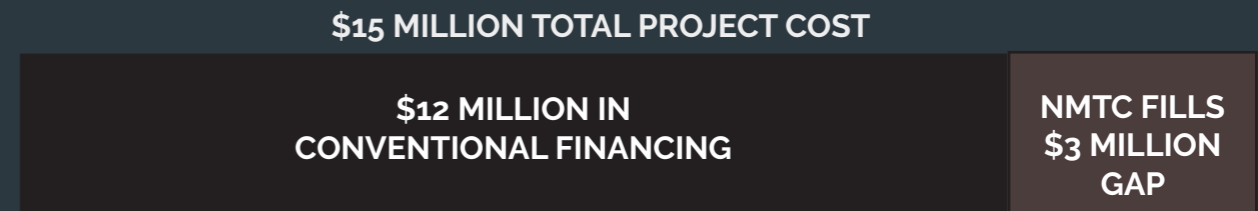
## WHAT ABOUT RURAL?

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

<b>NMTC Coalition:</b>	<a href="http://nmtccoalition.org">nmtccoalition.org</a>
State Fact Sheets:	<a href="http://nmtccoalition.org/state-fact-sheets">nmtccoalition.org/state-fact-sheets</a>
Project Maps	<a href="http://nmtccoalition.org/map">nmtccoalition.org/map</a>
Project Profiles:	<a href="http://nmtccoalition.org/stories">nmtccoalition.org/stories</a>
How It Works Video:	<a href="http://nmtccoalition.org/how-it-works">nmtccoalition.org/how-it-works</a>
Research:	<a href="http://nmtccoalition.org/research">nmtccoalition.org/research</a>
Statute:	<a href="http://nmtccoalition.org/statute">nmtccoalition.org/statute</a>
 <b>CDFI Fund:</b>	 <a href="http://cdfifund.gov">cdfifund.gov</a>



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