



NEW MARKETS
TAX CREDIT COALITION



NEW MARKETS TAX CREDIT New Member Briefing Report Congressman Chris Pappas

NH-01

nmtccoalition.org

A report on the loans and investments in New Hampshire 1st CD and beyond
Above: The waterfront in Newmarket, NH, revitalized thanks in part to the New Markets Tax Credit

NMTC IMPACT IN NEW HAMPSHIRE

JOBS AND INVESTMENT



4K

JOBS STATEWIDE

The NMTC created 3,984 New Hampshire jobs.



19

PROJECTS FINANCED IN NEW HAMPSHIRE

The NMTC made 19 New Hampshire projects possible, including manufacturing expansions, business incubators, hospitals, and more.

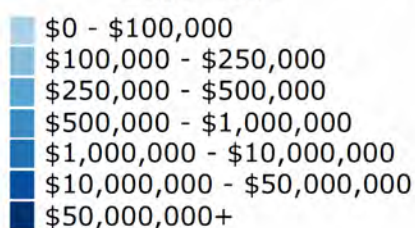


\$518M

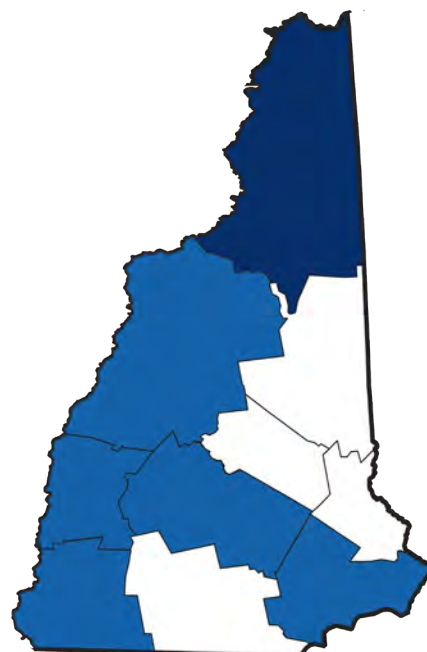
IN TOTAL CAPITAL TO NEW HAMPSHIRE

The NMTC delivered \$518 million to New Hampshire 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 NH-01

INVESTMENT AND PROJECT EXAMPLES



3

PROJECTS FINANCED IN NH-01

3 NMTC projects have been financed in New Hampshire's 1st District.



\$54.5M

IN TOTAL CAPITAL IN NH-01

The NMTC delivered \$54.5 million in total capital to businesses and revitalization projects in New Hampshire's 1st Congressional District



Lamprey Riverfront Restoration Newmarket, NH

The NMTC helped restore vacant and abandoned historic properties along the Lamprey River in Newmarket, NH, including the FE Lang Blacksmith Shop, which was renovated into a mixed-use development.



Hood Commons Derry, NH

Construction of a grocery-anchored retail center in an underretailed areas of Derry, NH.



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.



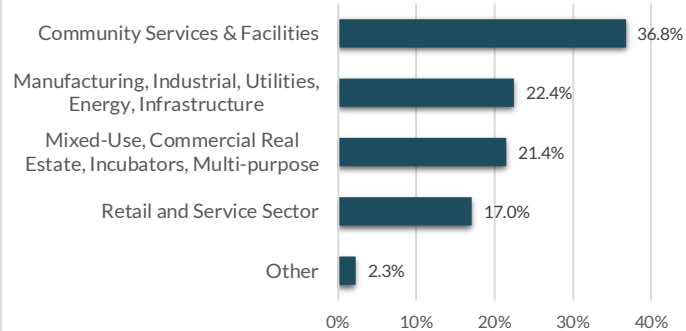
ENHANCING SERVICES

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.

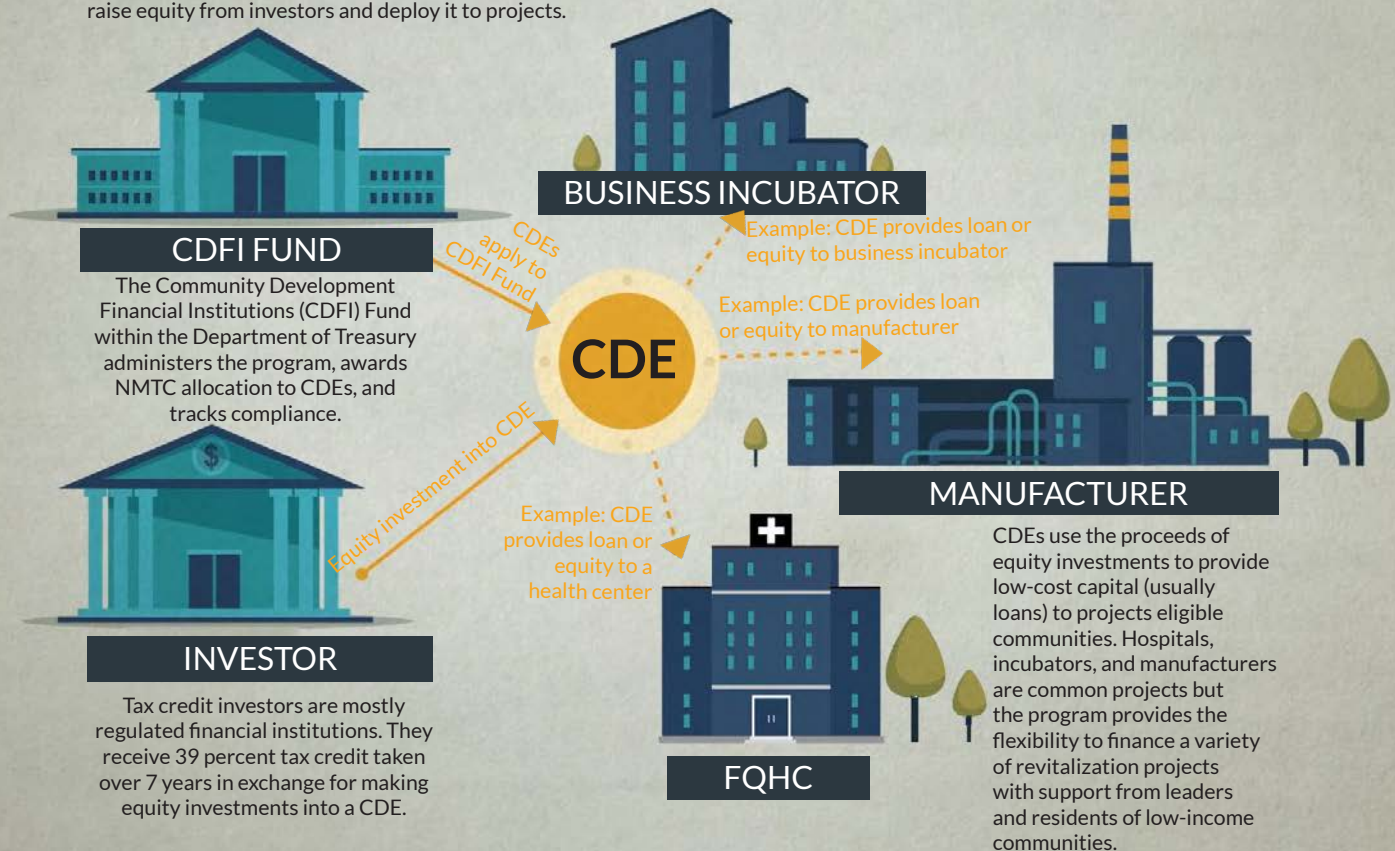
The legislation would: provide an indefinite extension to the NMTC; increase allocation authority, adjusted for inflation; improve tax credit pricing and expand the investor-base by providing AMT relief to NMTC investors

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

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 renovated building along the river in Newmarket, NH.

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