



NEW MARKETS
TAX CREDIT COALITION

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PLENTIFUL PARKING | 16,000 SF DIVISIBLE SPACE | CUSTOM FIT OUT | LIVE-WORK-PLAY | CLASS A SPACE
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NEW MARKETS TAX CREDIT New Member Briefing Report Christopher Jacobs (R-NY27)

NY27

nmtccoalition.org

A report on the loans and investments in New York's 27th CD and beyond
Above: Ellicott Station Project, Batavia, NY

NMTC IMPACT IN NY27

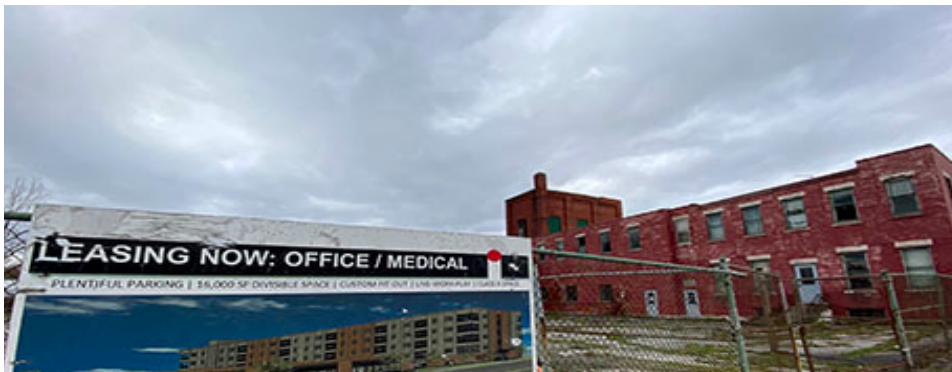
INVESTMENT AND PROJECT EXAMPLES

**1****PROJECTS FINANCED IN NY27**

1 NMTC projects have been financed in New York's 27th Congressional District.

**\$17.7M****IN TOTAL CAPITAL IN NY27**

The NMTC delivered \$17.7M in total capital to businesses and revitalization projects in New York's 27th Congressional District.



Ellicott Station Project

Batavia, NY

Construction, renovation, partial demolition, and reconstruction to a former factory building to be converted to a mixed use facility with commercial and residential tenants

NMTC IMPACT IN NEW YORK

JOBS AND INVESTMENT



87.3K

JOBS STATEWIDE

The NMTC created 87.3K New York jobs.



277

PROJECTS FINANCED IN NEW YORK

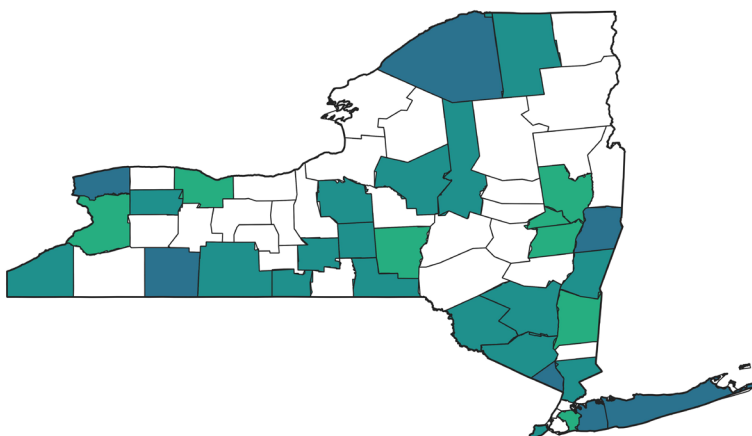
The NMTC made 277 New York projects possible, including manufacturing expansions, business incubators, hospitals, vocational training centers, and daycare centers.



\$9.5B

IN TOTAL CAPITAL TO NEW YORK

The NMTC delivered \$9.5B to New York businesses and revitalization projects that would not have been possible but-for the NMTC.



NMTC Investment by County
2003-2020 (2Q)

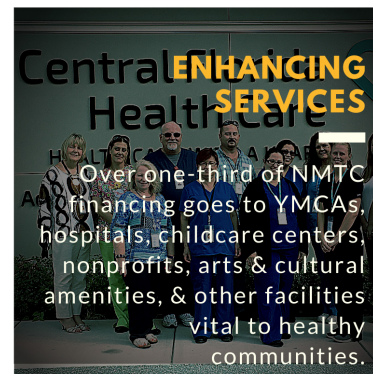
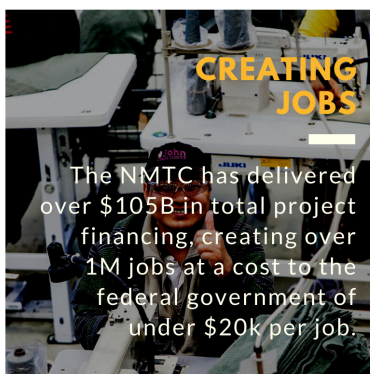
Dark Purple	\$1 - 100,000
Dark Blue	\$100,000 - 500,000
Teal	\$500,000 - 1,000,000
Green	\$1,000,000 - 10,000,000
Light Green	\$10,000,000 - 100,000,000
Yellow-Green	\$100,000,000 - 500,000,000
Yellow	\$500,000,000+

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

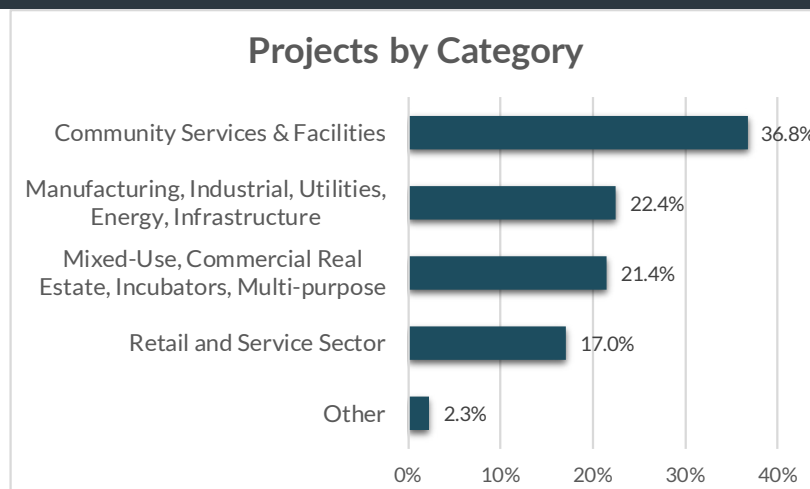
The New Markets Tax Credit (NMTC) is an important source of financing for businesses and community facilities in America's most distressed rural and urban communities. Congress authorized the NMTC in 2000 to bring down the cost of capital in communities outside of the economic mainstream. Taxpayers receive 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



INDEPENDENT EVALUATION

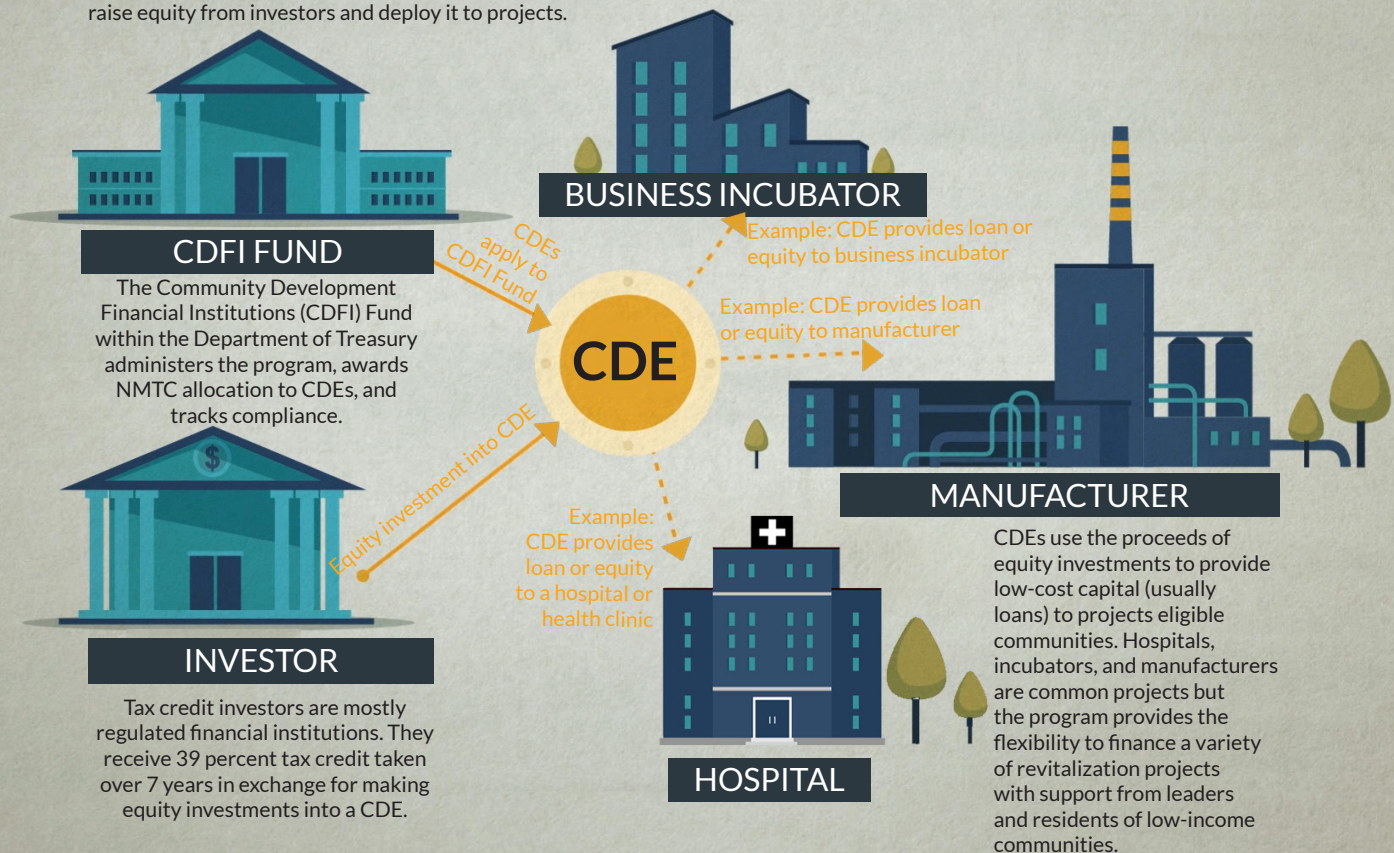
An independent compliance review by Summit Consulting found that program participants are significantly lowering the cost of capital for borrowers in low-income communities and exceeding statutory and regulatory requirements for the targeting of economic distress.



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, over...

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.

21% of NMTC projects were located in non-metropolitan counties in 2019.

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:

State Fact Sheets:

Project Database

How It Works Video:

Research:

Statute:

nmtccoalition.org

nmtccoalition.org/state-fact-sheets

nmtccoalition.org/projects

nmtccoalition.org/how-it-works

nmtccoalition.org/research

nmtccoalition.org/statute

CDFI Fund:

cdfifund.gov



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