



**NEW MARKETS**  
TAX CREDIT COALITION



# NEW MARKETS TAX CREDIT New Member Briefing Report Congresswoman Marcia Fudge

**OH11**

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

A report on the loans and investments in Ohio's 11th CD and beyond  
Above: Childrens Musuem of Cleveland

# NMTC IMPACT IN OHIO

## JOBS AND INVESTMENT



# 55K

The NMTC created 55k Ohio jobs.

### JOBS STATEWIDE



# 465

The NMTC made 465 Ohio projects possible, including manufacturing expansions, business incubators, hospitals, vocational training centers, and daycare centers.

### PROJECTS FINANCED IN OHIO



# \$4.9B

The NMTC delivered \$4.9B to Ohio businesses and revitalization projects that would not have been possible but-for the NMTC.

### IN TOTAL CAPITAL TO OHIO

# NMTC IMPACT IN OH11

## INVESTMENT AND PROJECT EXAMPLES



# 104

104 NMTC projects have been financed in the 11th Congressional District.

### PROJECTS FINANCED IN OH11



# \$2B

The NMTC delivered \$2B in total capital to businesses and revitalization projects in the 11th Congressional District.

### IN TOTAL CAPITAL IN OH11



### CHILDRENS MUSUEM OF CLEVELAND Cleveland, OH

Historic renovation, providing 18,000 sq. ft. of innovative exhibit space for CMC. This early childhood education and cultural institution is dedicated to children ages birth to 8 years of age. CMC will provide an early childhood education and cultural experience to over 100,000 children and their families annually.



### GLENVILLE CIRCLE NORTH Glenville, OH

63 mixed-income apartments and a 13,000 sq. ft. business incubator. The commercial space will be used for multigenerational, entrepreneurship-related programs and educational services, including, but not limited to, co-working space with flexible use options and youth entrepreneurship programming. In addition, CCDC will sublease its space to minority owned start-up entities, on a rotating basis, including space for start-up restaurants or other food service businesses.



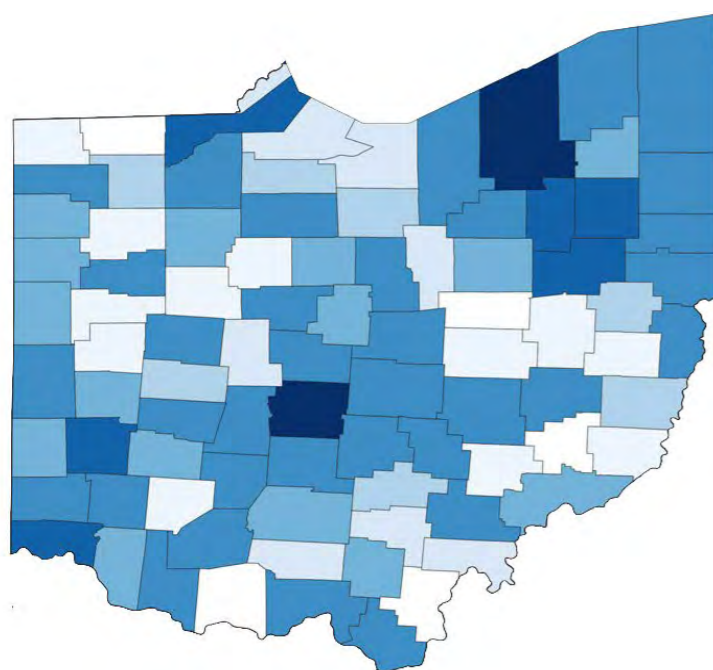
### UNIVERSITY HOSPITALS RAINBOW CENTER FOR WOMEN AND CHILDREN Cleveland, OH

New construction of an ambulatory health center for women and children in a federally designated medical underserved area.



### LINCOLN ELECTRIC WELDING TECHNOLOGY AND TRAINING CENTER Euclid, OH

Construction of a new state of the art facility that will focus on training welding educators and industry leaders.



### 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

# 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

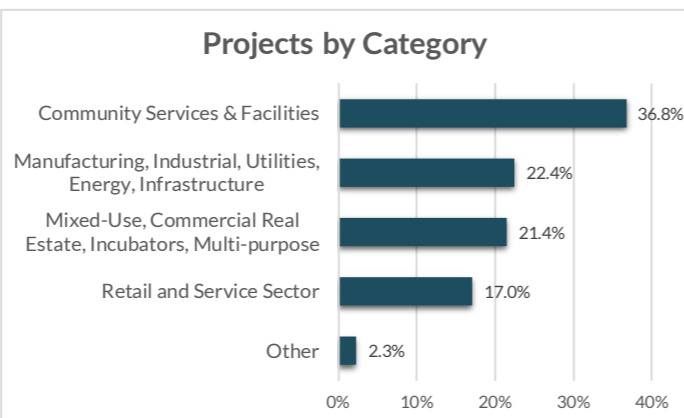
From the outfitting of maker-spaces to the construction of large plants, the NMTC provides nearly \$1 billion annually to manufacturing & industrial facilities.

### 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.



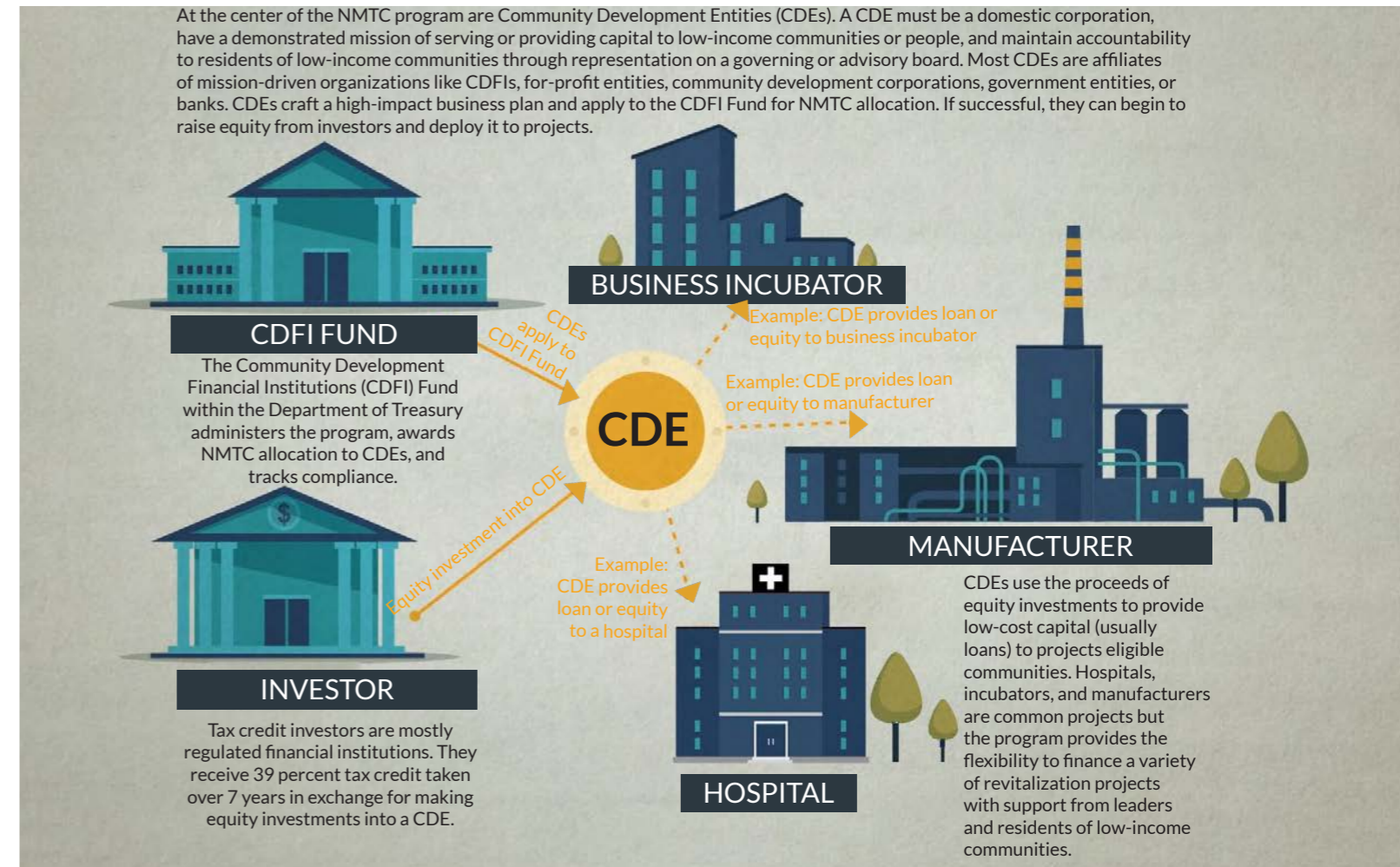
## EXTENSION LEGISLATION

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.

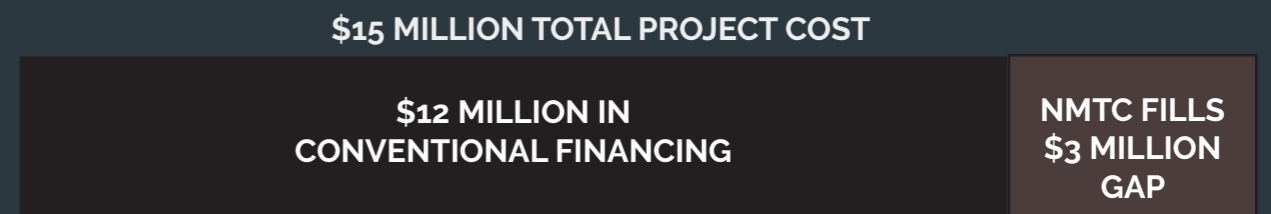
## WHAT ABOUT RURAL?

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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