



NEW MARKETS
TAX CREDIT COALITION

NEW MARKETS TAX CREDIT
New Member Briefing Report
Congresswoman Sheila Jackson Lee

TX18

nmtcoalition.org

A report on the loans and investments in Texas's 18th CD and beyond
Above: Interfaith Ministries for Greater Houston

NMTC IMPACT IN TEXAS

JOBS AND INVESTMENT



34K

The NMTC created 34k Texas jobs.

JOBS STATEWIDE



187

The NMTC made 187 Texas projects possible, including manufacturing expansions, business incubators, hospitals, vocational training centers, and daycare centers.

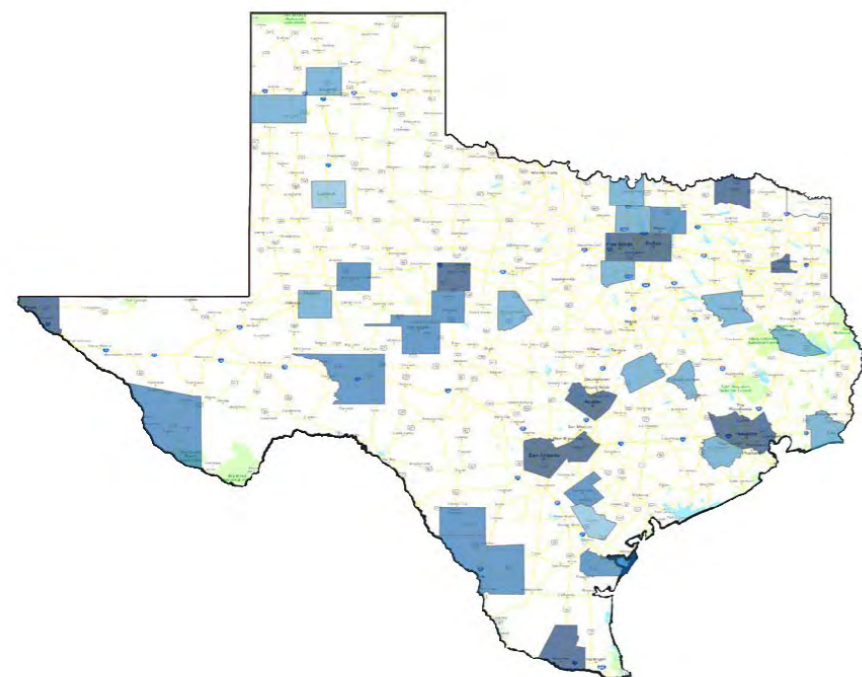
PROJECTS FINANCED IN TEXAS



\$2.9B

The NMTC delivered \$2.9B to Texas businesses and revitalization projects that would not have been possible but-for the NMTC.

IN TOTAL CAPITAL TO TEXAS



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 TX18

INVESTMENT AND PROJECT EXAMPLES



14

Forteen NMTC projects have been financed in the 18th Congressional District.

PROJECTS FINANCED IN TX18



\$303.1M

The NMTC delivered \$303.1M in total capital to businesses and revitalization projects in the 18th Congressional District.

IN TOTAL CAPITAL IN TX18



BAKER RIPLEY EAST ALDINE ECONOMIC OPPORTUNITY CENTER

Bellaire, TX

The campus consists of three buildings, totaling 43,200 sq. ft. The Economic Opportunity Center offers workforce development training, a maker space, business incubation center, financial services, flexible retail space and more.



INTERFAITH MINISTRIES FOR GREATER HOUSTON

Houston, TX

Developed/renovated 53,500 sq. ft. space for a Meals on Wheels Distribution Center. Increased its reach 4,500 home bound seniors served on daily basis, to 10,000 seniors. As a result of the project, an additional 5,500 seniors will be fed daily. This project increases annual meal service 1.7 million meals and adds support for the 500 to 600 refugees settled each year.



YES PREP CHARTER SCHOOLS

Houston, TX

The expansion of two existing YES Prep schools, Fifth Ward and Northside in Houston, to increase number of students served to 1,160 - also houses Legacy Health Services, a FQHC.



HOUSTON FOOD BANK WAREHOUSE

Houston, TX

The new facility will more than quadruple their original food storage space from 73,000 sq. ft. to 320,000 sq. ft. allowing them to increase Houston Food Bank's food distribution by 120,000 pounds. The increased storage capacity will help the Food Bank feed 137,000 families per week. In addition to maintaining a full-time staff, the Food Bank also receives assistance from over 450 volunteers on a daily basis.

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

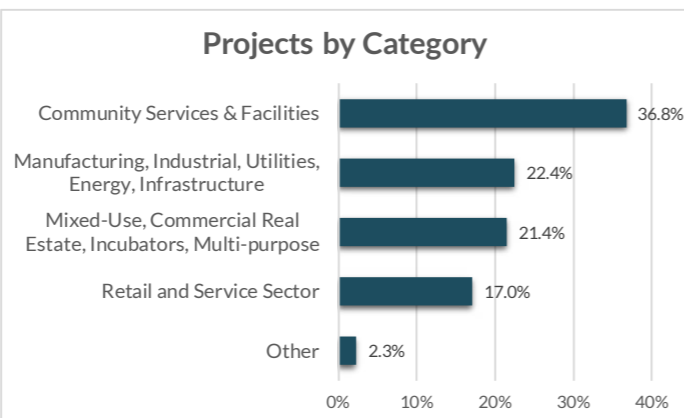
From the outfitting of maker-spaces to the construction of large plants, the NMTC provides nearly \$1 billion annually to manufacturing & industrial facilities.

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.



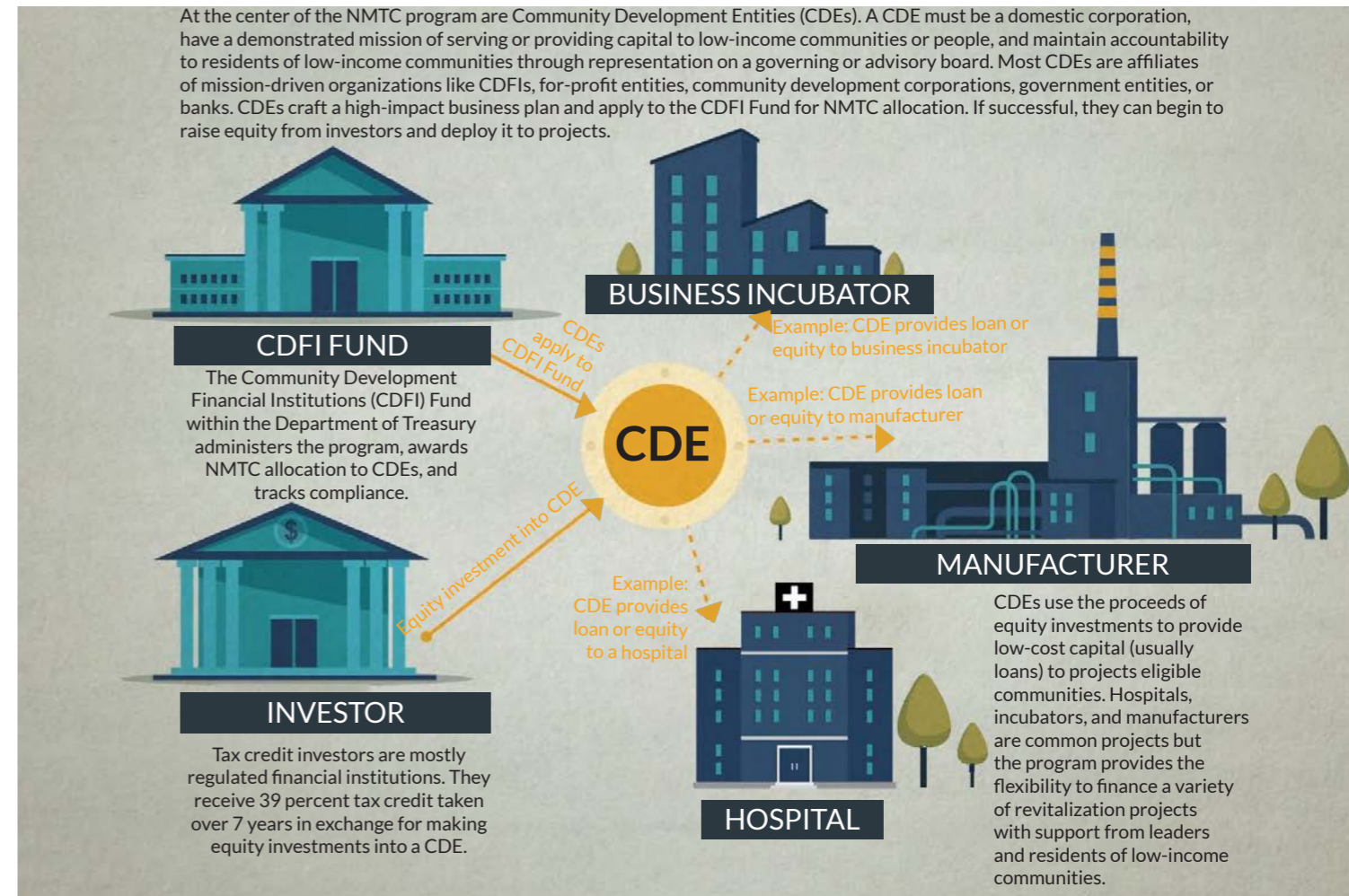
EXTENSION LEGISLATION

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.

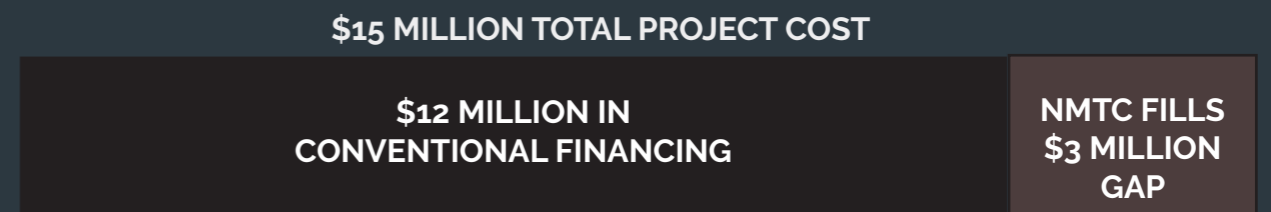
WHAT ABOUT RURAL?

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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