

ARTS & INNOVATION CENTER



NEW MARKETS
TAX CREDIT COALITION

NEW **MARKETS** TAX CREDIT **New Member Briefing Report** Congressman Jefferson Van Drew

NJ-02

nmtcoalition.org

A report on the loans and investments in New Jersey's 2nd CD and beyond
Above: Millville Arts & Business Innovation Center

NMTC IMPACT IN NEW JERSEY

JOBS AND INVESTMENT

**—now—
HIRING** **30K**
JOBS STATEWIDE

The NMTC created 30,412 New Jersey jobs, including:

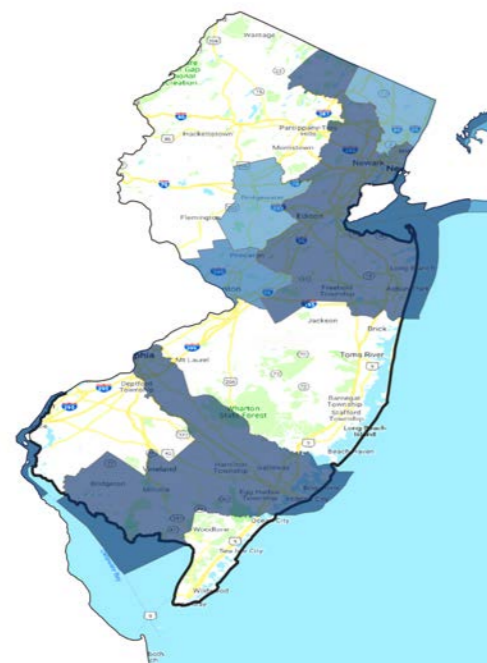
- 12,781 construction jobs;
- 17,631 full-time-equivalent jobs.

105
PROJECTS FINANCED IN NEW JERSEY

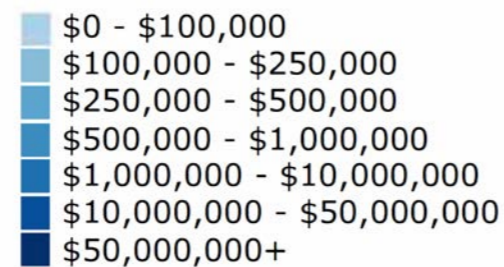
The NMTC made 105 New Jersey projects possible, including manufacturing expansions, business incubators, hospitals, vocational training centers, and daycare centers.

\$2.8B
IN TOTAL CAPITAL TO NEW JERSEY

The NMTC delivered \$2.8 billion to New Jersey 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 NJ-02

INVESTMENT AND PROJECT EXAMPLES

13
PROJECTS FINANCED IN NJ-02

13 NMTC projects have been financed in New Jersey's 2nd Congressional District.

\$394M
IN TOTAL CAPITAL IN NJ-02

The NMTC delivered \$394 million in total capital to businesses and revitalization projects in New Jersey's 2nd Congressional District.



Millville Arts & Business Innovation Center
Millville, NJ

A new facility to house the expansion of Cumberland County College's arts and business education programs



Lavoy Theater
Millville, NJ

Renovation of a century-old vaudeville theater into an artistic and cultural resource for southern New Jersey. Lavoy serves as a venue for performances and an anchor for Millville's Glasstown Arts District. It also provides educational programming.



Vineland WIC
Vineland, NJ

Financed a childhood learning complex run by Gateway CAP's Women Infants and Children program



Vineland Crossing Grocery and Health Clinic
Vineland, NJ

A new retail shopping center consisting of a ShopRite grocery store, a non-profit Federally Qualified Health Clinic and pharmacy, and three additional retail units

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

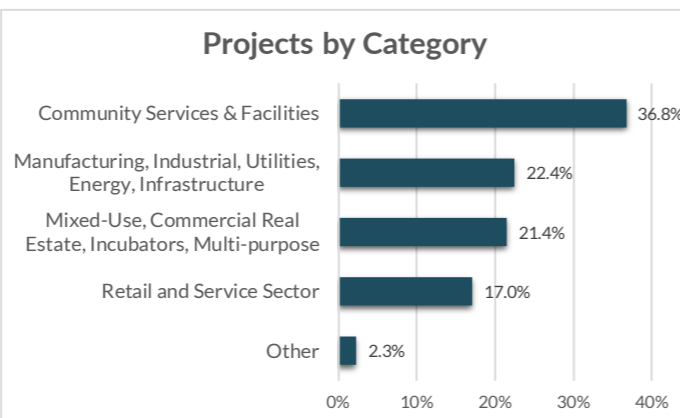
From the outfitting of maker-spaces to the construction of large plants, the NMTC provides nearly \$1 billion annually to manufacturing & industrial facilities.

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.



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.

Extension legislation has been introduced by Sens. Roy Blunt (R-MO) and Ben Cardin (D-MD) in the Senate and Reps. Terri Sewell (D-AL) and Tom Reed (R-NY) in the House. **The New Markets Tax Credit Extension Act of 2019 (H.R. 1680/S. 750).**

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

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).

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.

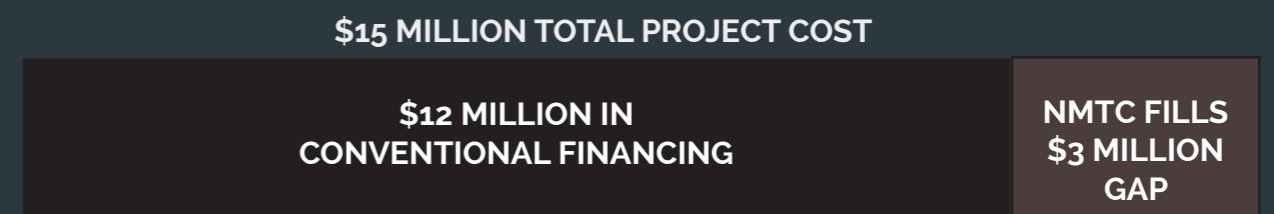
WHAT ABOUT RURAL?

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



Above: Vineland Crossing Grocery and Health Clinic

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