

## FLORIDA CONGRESSIONAL BRIEFING

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### HOUSE LEADERSHIP INTRODUCES H.R. 1098: TO MAKE NMTC MORE PERMANENT

House bill sponsors Tiberi (R-OH), Reed (R-NY), and Neal (D-MA) are now seeking sign-on to H.R. 1098 in support of the New Markets Tax Credit Extension Act of 2017 that authorizes a more permanent extension of the credit.

The New Markets Tax Credit (NMTC) has enjoyed bipartisan support throughout its history from President's and Congressional majorities alike. Created by the Community Renewal Tax Relief Act of 2000 (PL 106-554), NMTC has proven to be an essential tool in driving capital investment into the poorest, most severely distressed urban and rural communities across the country... to grow businesses, create jobs, achieve high social impact, and strengthen local economies. A current 5-year extension of the NMTC under the Path Act of 2015 expires in 2019.

NMTC is an investor tax credit equal to 39% over just 7 years at an annual rate of 5% over the first 3 years and 6% in years 4-7. If an investor redeems the NMTC investment prior to 7 years, all credits can be recaptured with interest and penalty.

Since inception, NMTC has delivered nearly \$80 billion in capital and created nearly 750,000 jobs at a cost to the federal government of less than \$20,000 per job. Federal tax revenue generated by NMTC also generally more than covers the cost of the credit to taxpayers.

**All Florida members are urged to consider "signing on" in support of H.R. 1098.**

### IN FLORIDA... NMTC IS WORKING

Extending NMTC permanently will help Florida for years to come. Florida, the 3rd largest state in the country, has historically been underserved by the credit on a per capita population basis, but this is beginning to change.

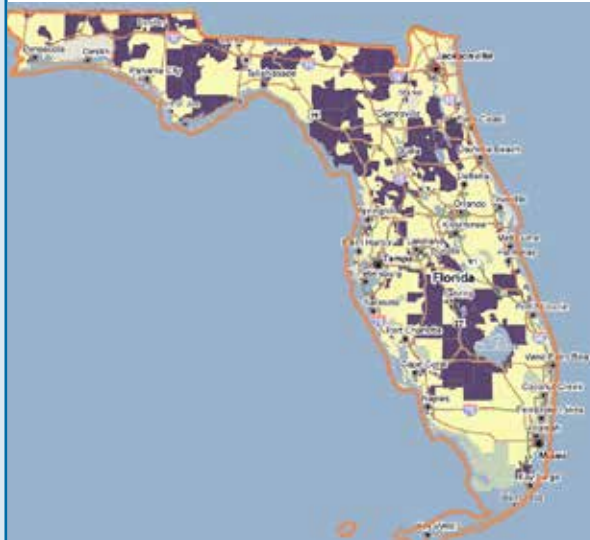
Florida Community Loan Fund (FCLF), Florida's leading statewide CDFI/CDE, alone has secured a cumulative \$271 million in NMTC allocation. In all, 29 CDE investor groups are targeting up to \$326 Million in 2016 NMTC allocation for business and project investment in Florida.

Typically leveraged on an 8:1 ratio, these credits could potentially mobilize up to \$678 million in future total project costs creating even more jobs and targeted economic and social impact results.

<sup>1</sup> CDFI Fund and PolicyMap.

<sup>2</sup> NMTC deployed as of 12/31/2016, including commitments. Jobs created as of 6/30/2016.

### Florida's 1,493 NMTC Eligible Census Tracts <sup>1</sup>



**From 2003-2014:**

**\$970 million** total NMTC allocation  
deployed in Florida

**\$1.7 billion**  
in private investment leveraged

### Florida Community Loan Fund: <sup>2</sup>

**\$187 MILLION** NMTC DEPLOYED

**\$470 MILLION** TOTAL PROJECT  
COSTS FINANCED

**4,174 JOBS** CREATED OR RETAINED

**1.5 MILLION** SQUARE FEET IN  
NEW FACILITIES BUILT

#### TO SIGN ON TO H.R. 1098, CONTACT:

Rep. Pat Tiberi: **Whitney Daffner**, Legis Director,  
ph 202.225.5355, Whitney.Daffner@mail.house.gov, or  
Rep. Richard Neal: **Aruna Kalyanam**, Legis Director,  
ph 202.225.5601, Aruna.Kalyanam@mail.house.gov

#### FOR MORE INFORMATION ON FLORIDA NMTC, CONTACT:

Rep. Mario Diaz-Balart: **Christopher Sweet**, Sr Legis Asst,  
ph 202.225.4211, Chris.Sweet@mail.house.gov, or  
Rep. Carlos Curbelo: **Adam Wolf**, Legis Director,  
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## WHY SUPPORT NMTC?

- NMTC WORKS.** It created nearly 750,000 jobs and delivered over \$42 billion in direct capital to low-income distressed communities between 2003 and 2015, in both urban (80%) and rural (20%) communities with extremely high rates of poverty and unemployment.<sup>3</sup>
- NMTC PAYS FOR ITSELF.** NMTC investments in businesses in low-income communities and the jobs created by those businesses generated over \$984 million in federal tax revenue in 2012, more than enough to cover the \$800 million cost of the program in the same year.<sup>4</sup>
- NMTC ANSWERS TO LOCAL MARKET INTERESTS AND PRIORITIES.** NMTC finances a wide range of businesses and project types in distressed low-income communities. Instead of Washington picking winners and losers, NMTC places the project underwriting responsibility with community development entities (CDEs) with deep ties to the communities in which they work and supports projects that “but for” the credit could not be achieved.<sup>5</sup>
- NMTC IS ONE OF THE ONLY MARKET DRIVEN RESOURCES AVAILABLE FOR COMMUNITY REVITALIZATION.** Over the last 40 years Federal spending on community development, as measured by a share of GDP, has dropped by 75%. As a result, there is tremendous pent up private investment demand for NMTC. Between 2003-2014, NMTC applications totaled over \$315 billion versus \$50.6 billion in total credits awarded.<sup>3</sup>
- NMTC IS A TESTED AND PROVEN METHOD FOR LEVERAGING PRIVATE CAPITAL INVESTMENT.** Between 2003-2015, NMTC direct capital investments leveraged nearly \$80 billion in total capital investments. According to the U.S. Department of Treasury, every \$1 in foregone tax revenue generally leads to \$8 in private capital investment in distressed communities.<sup>6</sup>

## FCLF NMTC PROJECT EXAMPLES



There is currently \$363 million in NMTC Allocation targeted for Florida. The following 29 CDFI /CDEs are proposing to invest in Florida.

Picrme Advantage Capital Community Development Fund, LLC • AMCREF Community Capital, LLC • Black Business Investment Fund of Central Florida, Inc. • CAHEC New Markets, LLC • Chase New Markets Corporation • Civic Builders, Inc. • Community Impact Fund, LLC • Enhanced Community Development, LLC • ESIC New Markets Partners LP • Florida Community Loan Fund, Inc. • Greenline Community Development Fund, LLC • Habitat for Humanity NMTC, LLC • M&I New Markets Fund, LLC • MBS Urban Initiatives CDE, LLC • Mid-City Community CDE, LLC • Midwest Renewable Capital, LLC • National New Markets Tax Credit Fund, Inc • Northern CDE Corporation • Pacesetter CDE, Inc. • Popular Community Capital, LLC • Primary Care Development Corporation • Raza Development Fund, Inc. • River Gorge Capital, LLC • Stonehenge Community Development, LLC • SunTrust Community Development Enterprises, LLC • Telesis CDE Corporation • United Bancorporation of Alabama, Inc • Urban Action Community Development, LLC • Urban Research Park CDE, LLC

<sup>3</sup> NMTC Coalition, 2016 Progress Report.

<sup>4</sup> NMTC Economic Impact Report, December 2012.

<sup>5</sup> National NMTC Coalition testimony to the House Ways and Means Committee, 2013.

<sup>6</sup> National NMTC Coalition estimates.