



New Markets Tax Credit (NMTC) Public Data Release

FY 2003 to FY 2016 Summary Report

November 2018

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

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NMTC Program and Summary Report Overview



- The New Markets Tax Credit Program (NMTC Program) permits taxpayers to receive a credit against Federal income taxes for making qualified equity investments in designated Community Development Entities (CDEs). Substantially all of the qualified equity investment (QEI) must in turn be used by the CDE to provide investments in low-income communities. The credit provided to the investor totals 39 percent of the cost of the investment and is claimed over a seven-year credit allowance period.
- The CDFI Fund requires all CDEs that have been awarded NMTC allocations (Allocatees) to submit an annual report detailing how they invested QEI proceeds in low-income communities.
- These reports must be submitted to the CDFI Fund by the Allocatees, along with their audited financial statements, within six months after the end of their fiscal year.
- All NMTC investments must meet statutory qualifications for their investors to be able to claim the tax credit.
- The vast majority of NMTC investments are made within statutorily defined “Low-Income Communities.”
 - In addition to investments located in Low-Income Communities, investments can qualify for NMTCs by using other statutory provisions designed to target certain areas or populations, including provisions for Rural Counties, and Low-Income Targeted Populations.

The data represented in this summary report and accompanying data file was submitted by Allocatees prior to September 30, 2017. Allocatees must submit their annual report to the CDFI Fund within six months after the end of their fiscal year (FY), therefore the data submitted by September 30, 2017 represents nearly all investments for FY 2016.

NMTC Program Terms and Definitions

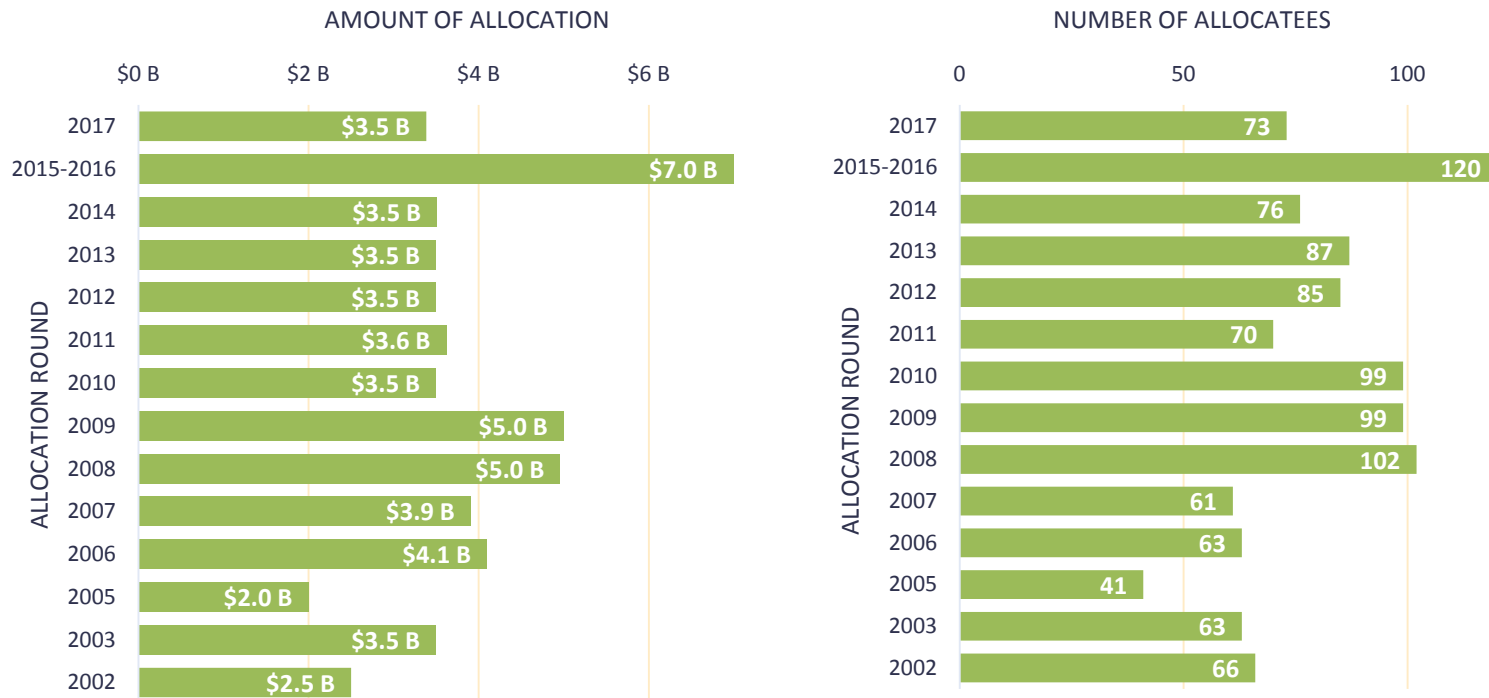


- **Community Development Entity (CDE):** A financial intermediary certified by the CDFI Fund that may apply to receive an Allocation Award of New Markets Tax Credits to make qualified investments in low-income communities.
- **Low-Income Community (LIC):** In the NMTC context, this refers to an NMTC-qualified census tract that meets certain criteria based on poverty rates, unemployment, and median household income.
- **North American Industry Classification System (NAICS):** The North American Industry Classification System (NAICS) is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy. NAICS categories are used in this summary report to classify the types of businesses where NMTC investments are used.
- **NMTC Project:** NMTC Project is a CDFI Fund term used to identify groups of QLICs invested toward a common target or objective (e.g. a group of QLICs sharing the same project address).
- **Qualified Equity Investment (QEI):** An equity investment made into an eligible CDE that generates New Markets Tax Credits for the investor, equal to 39 percent of the investment over a seven-year period.
- **Qualified Low-Income Community Investments (QLICI):** Any investment from a CDE into a QALICB that uses and complies with the NMTC Allocation Award.
- **Qualified Active Low-Income Community Businesses (QALICB):** A nonprofit or for-profit entity in an NMTC-eligible census tract that receives an investment from a CDE through the NMTC Program.

NMTC Program Allocation Totals



Through **14 application rounds** of the NMTC Program, the CDFI Fund has made **1,105 awards**, allocating a total of **\$54 billion in tax credit authority** to CDEs through a competitive application process. This \$54 billion includes \$3 billion in Recovery Act allocations and \$1 billion of special allocation authority to be used for the recovery and redevelopment of the Gulf Opportunity Zone. Since the NMTC program's inception, the CDFI Fund has allocated tax credit authority to **413 CDEs** headquartered in 45 states, the District of Columbia, Puerto Rico and Guam.

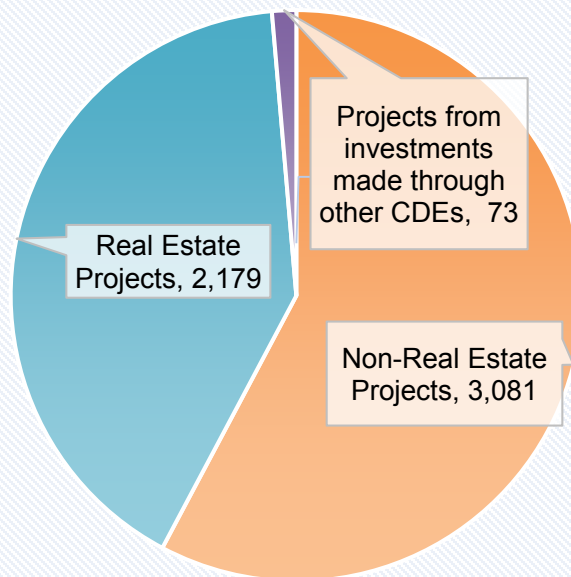


NMTC Real Estate and Non-Real Estate QALICBs



Allocatees generally invest in QALICBs that fall into one of two categories: real estate and non-real estate. **Real Estate QALICBs** are entities whose predominant business activity (e.g. more than 50 percent of gross income) is the development (including construction of new facilities and rehabilitation/enhancement of existing facilities), management, or leasing of real estate that will be sold or leased to third parties. **Non-Real Estate QALICBs** are entities whose predominant business activity includes all types of business activities other than those listed for real estate QALICBs. A small fraction of investments are directed towards other unrelated CDEs that have not received their own tax credit allocation. Based on program activities reported through FY 2016, QEI proceeds were directed to 5,333 projects –through both real estate and non-real estate QALICs.

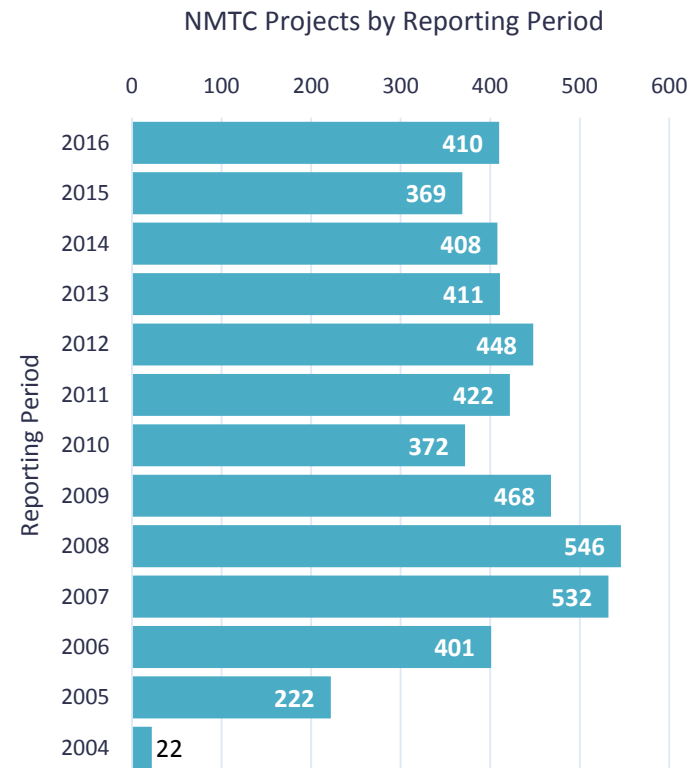
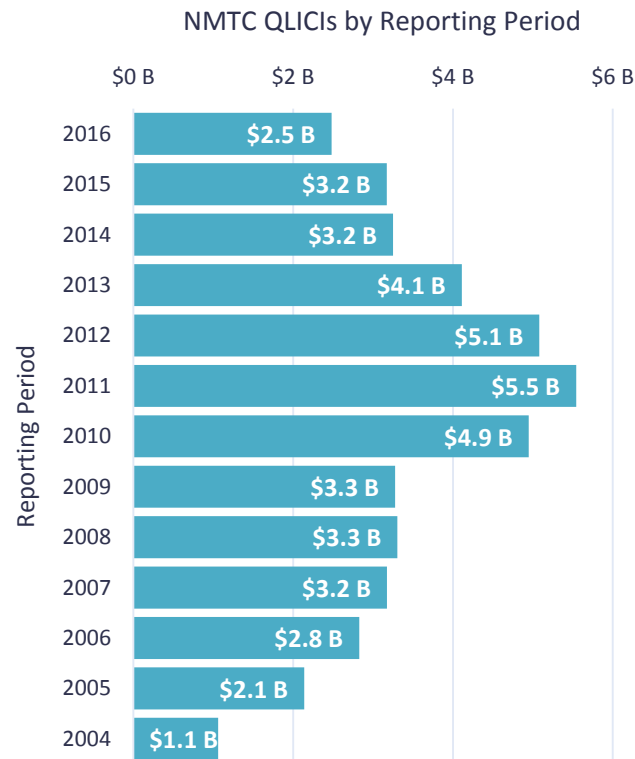
- 3,081 QALICBs (57.8% percent) were Non-Real Estate QALICBs or operating businesses. These businesses received \$22,038,356,590 in NMTC investments (49.6% percent).
- 2,179 QALICBs (40.9% percent) were Real Estate QALICBs, where the principal activity is the development or leasing of real estate. These businesses received \$21,590,574,131 in NMTC investments (48.6% percent).
- 73 QALICBs (1.4% percent) were the beneficiaries of loans or investments made by CDEs through other unrelated CDEs without allocations. These investments totaled \$783,775,023 in NMTC investments (1.8% percent).



NMTC Investments by Reporting Period



Based on program activities reported through FY 2016, Allocatees disbursed a total of **\$ 44,421,718,023 in QEI proceeds towards 5,333 NMTC projects.**

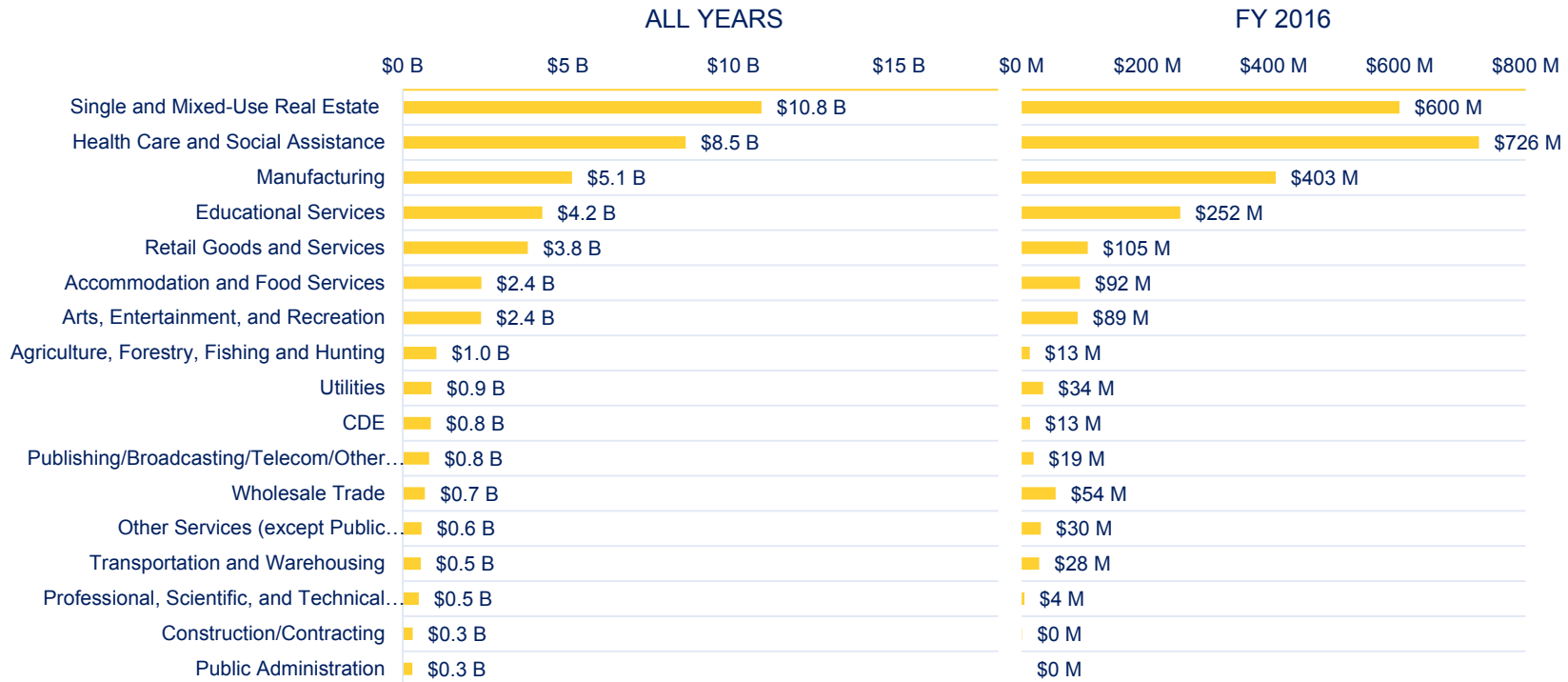


NMTC Investments by Sector (NAICS)



Based on program activities reported through FY 2016, QEI proceeds were directed towards a broad range of investment sectors. To date, the top investment sectors have been Single and Mixed-Use Real Estate, Health Care and Social Assistance and Social Services, Manufacturing and Educational Services. The chart below shows NMTC Investments aggregated at the two-digit NAICS level.

QLICIS INVESTED BY NAICS CLASSIFICATION



NMTC Investments by Sector: Retail, Office, Industrial, Residential Single and Mixed-Use Real Estate



Through FY 2016, nearly a third of all NMTC proceeds were invested in single and mixed-use real estate developments. These developments help to bring much needed products, services, jobs and neighborhood amenities to low-income communities. Slightly over one quarter of NMTC investments closed in FY 2016 were in single and mixed-use real estate developments.

NAICS	QLICs - All Years	QLICs - FY 2016
Single-Use Real Estate		
Office	\$2,478,805,239	\$116,153,437
Retail	\$2,175,211,160	\$49,925,000
Industrial	\$319,440,492	\$46,596,774
Residential	\$274,042,057	\$10,664,927
Total	\$5,247,498,948	\$223,340,138
Mixed-Use Real Estate		
Two or more of the following: Office/Retail/Industrial/Residential	\$6,353,845,255	\$368,894,003
Two or more of the following: Office, Retail, Industrial, Residential; and one or more of the following: School, Health Care Facility, Social Services, Arts and Entertainment, Hotel, Administrative or other services	\$1,282,102,256	\$57,261,603
Total	\$7,635,947,511	\$426,155,606
Grand Total	\$12,883,446,459	\$649,495,744
Real Estate as percentage of all QLICs	29.0%	26.3%

NMTC Investments by Sector: Healthcare and Social Services



Investments in healthcare and social services represent nearly 20 percent of overall NMTC investments through FY 2016. For loans closing just in FY 2016, this sector represented nearly 30 percent of NMTC investments.

NAICS	QLICs - All Years	QLICs - FY 2016
Health Care and Social Services		
Ambulatory Health Care Services		
Home Health Care Services	\$28,160,609	\$1,500,000
Offices of Physicians	\$206,457,238	\$22,046,000
Offices of Dentists	\$46,276,014	\$0
Offices of Other Health Practitioners	\$71,927,591	\$1,100,000
Outpatient Care Centers	\$2,312,817,309	\$216,841,250
Medical and Diagnostic Laboratories	\$40,561,388	\$0
Other Ambulatory Health Care Services	\$17,193,480	\$1,852,205
Hospitals		
General Medical and Surgical Hospitals	\$1,372,985,945	\$62,919,000
Psychiatric and Substance Abuse Hospitals	\$30,493,000	\$0
Specialty (except Psychiatric and Substance Abuse) Hospitals	\$112,074,081	\$0
Nursing and Residential Care Facilities		
Nursing Care Facilities (Skilled Nursing Facilities)	\$316,901,855	\$9,700,000
Residential Intellectual and Developmental Disability, Mental Health, and Substance Abuse Facilities	\$130,895,888	\$5,940,000
Continuing Care Retirement Communities and Assisted Living Facilities for the Elderly	\$171,224,414	\$0
Other Residential Care Facilities	\$1,300,000	\$1,300,000
Social Assistance		
Individual and Family Services	\$1,880,386,134	\$242,939,903
Community Food and Housing, and Emergency and Other Relief Services	\$1,254,421,407	\$115,951,000
Vocational Rehabilitation Services	\$259,472,861	\$5,790,000
Child Day Care Services	\$295,952,507	\$37,787,000
Total	\$8,549,501,722	\$725,666,357
Health as percentage of all QLICs	19.2%	29.4%

NMTC Investments by Sector:

Manufacturing



Investments in a broad range of manufacturing facilities represent the third largest share of NMTC investments for FY 2016 and for all investments to date.

NAICS	QLICs - All Years	QLICs - FY 2016
Manufacturing		
Apparel Manufacturing	\$15,194,000	\$0
Beverage and Tobacco Product Manufacturing	\$12,250,000	\$0
Chemical Manufacturing	\$672,612,240	\$12,250,000
Computer and Electronic Product Manufacturing	\$91,141,939	\$7,517,500
Electrical Equipment, Appliance, and Component Manufacturing	\$148,432,761	\$35,760,000
Fabricated Metal Product Manufacturing	\$443,388,939	\$38,445,117
Food Manufacturing	\$1,470,919,467	\$135,973,791
Furniture and Related Product Manufacturing	\$131,230,727	\$13,970,000
Leather and Allied Product Manufacturing	\$2,526,601	\$0
Machinery Manufacturing	\$207,200,826	\$23,850,000
Miscellaneous Manufacturing	\$65,459,956	\$0
Nonmetallic Mineral Product Manufacturing	\$195,059,510	\$46,814,013
Paper Manufacturing	\$237,409,562	\$18,800,000
Petroleum and Coal Products Manufacturing	\$6,500,000	\$2,500,000
Plastics and Rubber Products Manufacturing	\$252,240,682	\$13,919,500
Primary Metal Manufacturing	\$357,097,639	\$10,000,000
Printing and Related Support Activities	\$47,042,973	\$1,410,000
Textile Mills	\$50,271,334	\$0
Textile Product Mills	\$1,359,500	\$0
Transportation Equipment Manufacturing	\$382,490,775	\$25,511,940
Wood Product Manufacturing	\$327,762,914	\$16,450,000
Total	\$5,117,592,345	\$403,171,861
Manufacturing as percentage of all QLICs	11.2%	15.0%

NMTC Investments by Investment Sector: Educational Services



Investments in educational services, including elementary and secondary schools, represent the fourth largest share of NMTC investments for FY 2016 and for all investments to date.

NAICS	QLICs - All Years	QLICs - FY 2016
Educational Services		
Elementary and Secondary Schools	\$2,911,218,248	\$159,028,398
Colleges, Universities, and Professional Schools	\$764,650,248	\$59,716,000
Junior Colleges	\$185,495,524	\$3,500,000
Other Schools and Instruction	\$162,521,667	\$10,888,963
Technical and Trade Schools	\$131,311,741	\$10,500,000
Educational Support Services	\$64,127,517	\$7,922,500
Total	\$4,219,324,945	\$251,555,861
As percentage of all QLICs	9.5%	8.8%

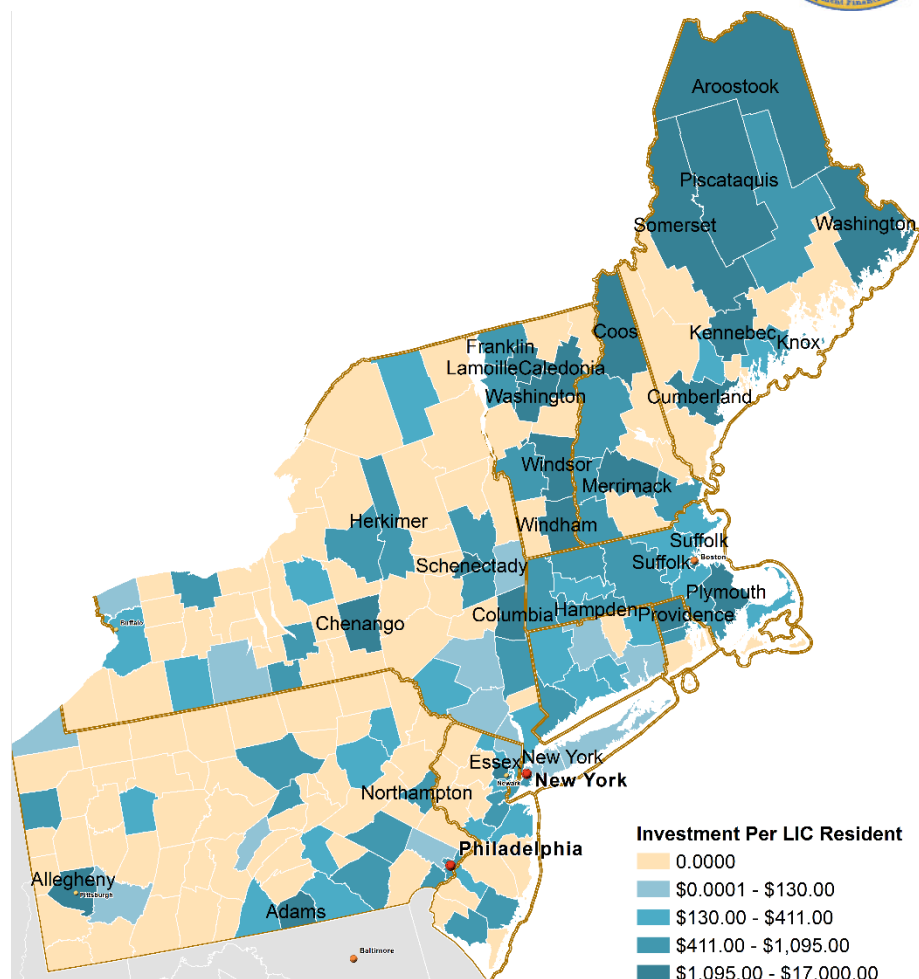
Geographic Distribution of NMTC Investments: Northeast



The maps on slides 13-17 show the amount of NMTC investments on a dollar per LIC (Low-Income Community) resident basis. This figure was calculated by dividing the amount of investment in each county or county-equivalent area by the number of residents living in LICs. The four categories of investment were determined by using the first, second, third and fourth quartiles. **Counties shaded in darker blues received more dollars on a per LIC basis than counties shaded in lighter blues.**

Based on program activities reported through FY 2016, the top five Northeastern counties to receive NMTC investments on a per LIC basis were Adams County, PA (\$13,564); Piscataquis County, ME (\$6,700); Windham County, VT (\$6,523); Washington County, VT (\$4,117) and Coos County, NH (\$3,965).

The top five Northeastern counties to receive NMTC investments in absolute amounts were Suffolk County, MA (\$966 M); New York County, NY (\$896 M); Bronx County, NY (\$746 M); Philadelphia County, PA (\$745 M) and Kings County NY (\$737 M).

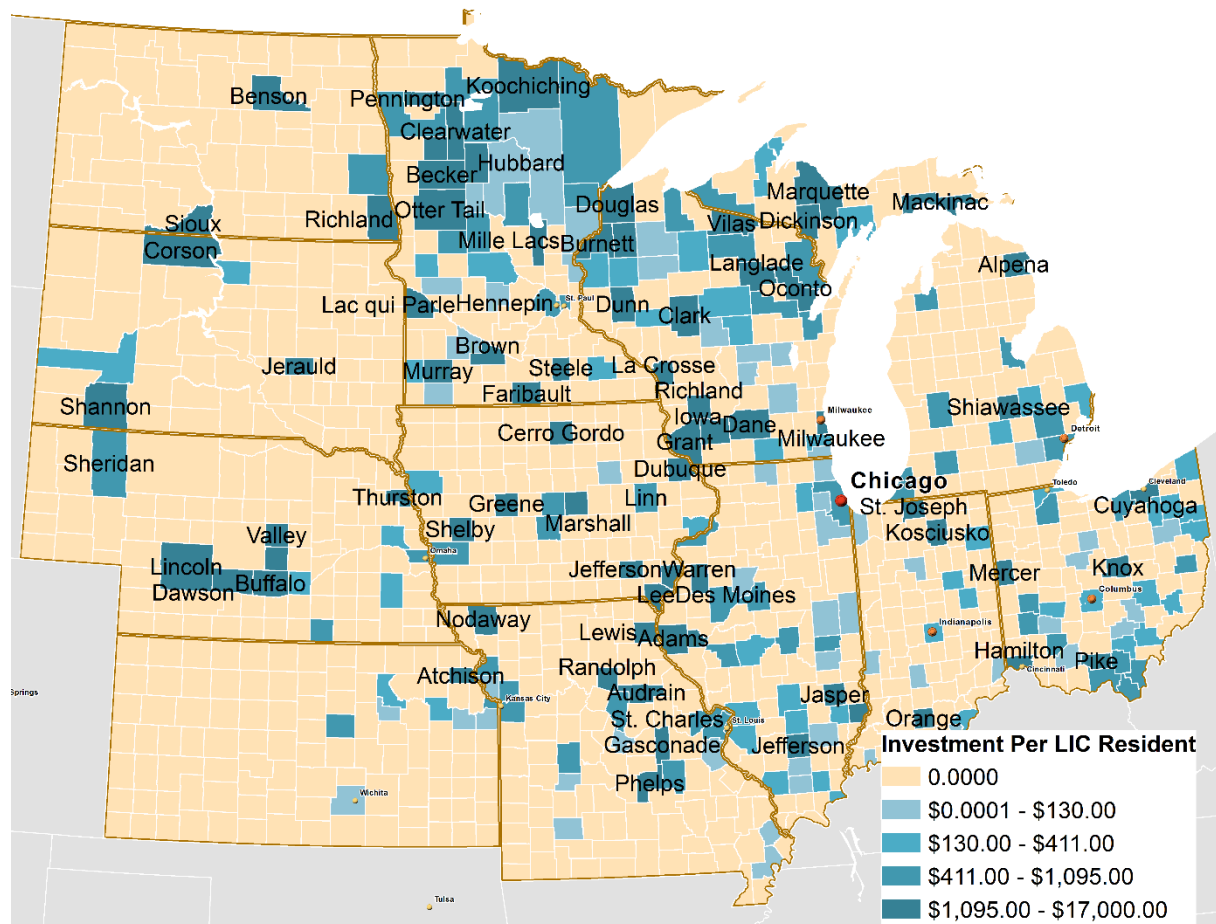


Geographic Distribution of NMTC Investments: Midwest



Based on program activities reported through FY 2016, the top five Midwestern counties to receive NMTC investments on a per LIC basis were Jerauld County, SD (\$16,667); Richland County, WI (\$15,412); Steele County, MN (\$12,814); Brown County, IL (\$9,782) and Dawson, NE (\$9,151).

The top five Midwestern counties to receive NMTC investments in absolute amounts were the City of St. Louis, MO (\$1,268 M); Cook County, IL (\$1,010 M); Milwaukee County, WI (\$953 M); Cuyahoga County, OH (\$823 M) and Hamilton County, OH (\$734 M).

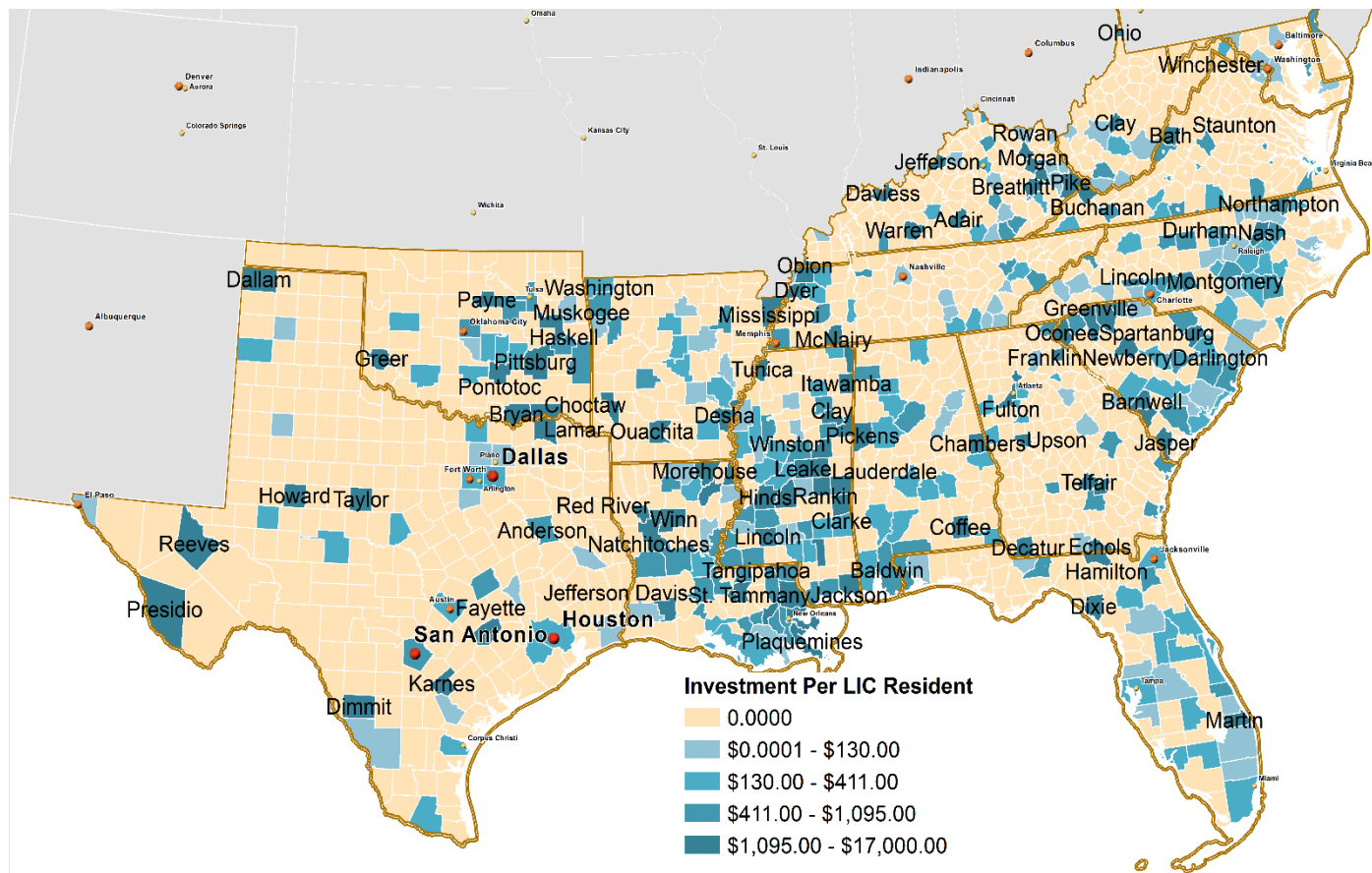


Geographic Distribution of NMTC Investments: South



Based on program activities reported through FY 2016, the top five Southern counties to receive NMTC investments on a per LIC basis were Orleans Parish, LA (\$7,971); Clarke County, MS (\$7,106); Richland Parish, LA (\$6,746); Hamilton County, FL (\$6,218) and East Carroll Parish, LA (\$6,108).

The top five Southern counties to receive NMTC investments in absolute amounts were Orleans Parish, LA (\$1,553 M); Washington, D.C. (\$912 M); the City of Baltimore, MD (\$831 M); Jefferson County, KY (\$394 M) and Fulton County, GA (\$366 M).

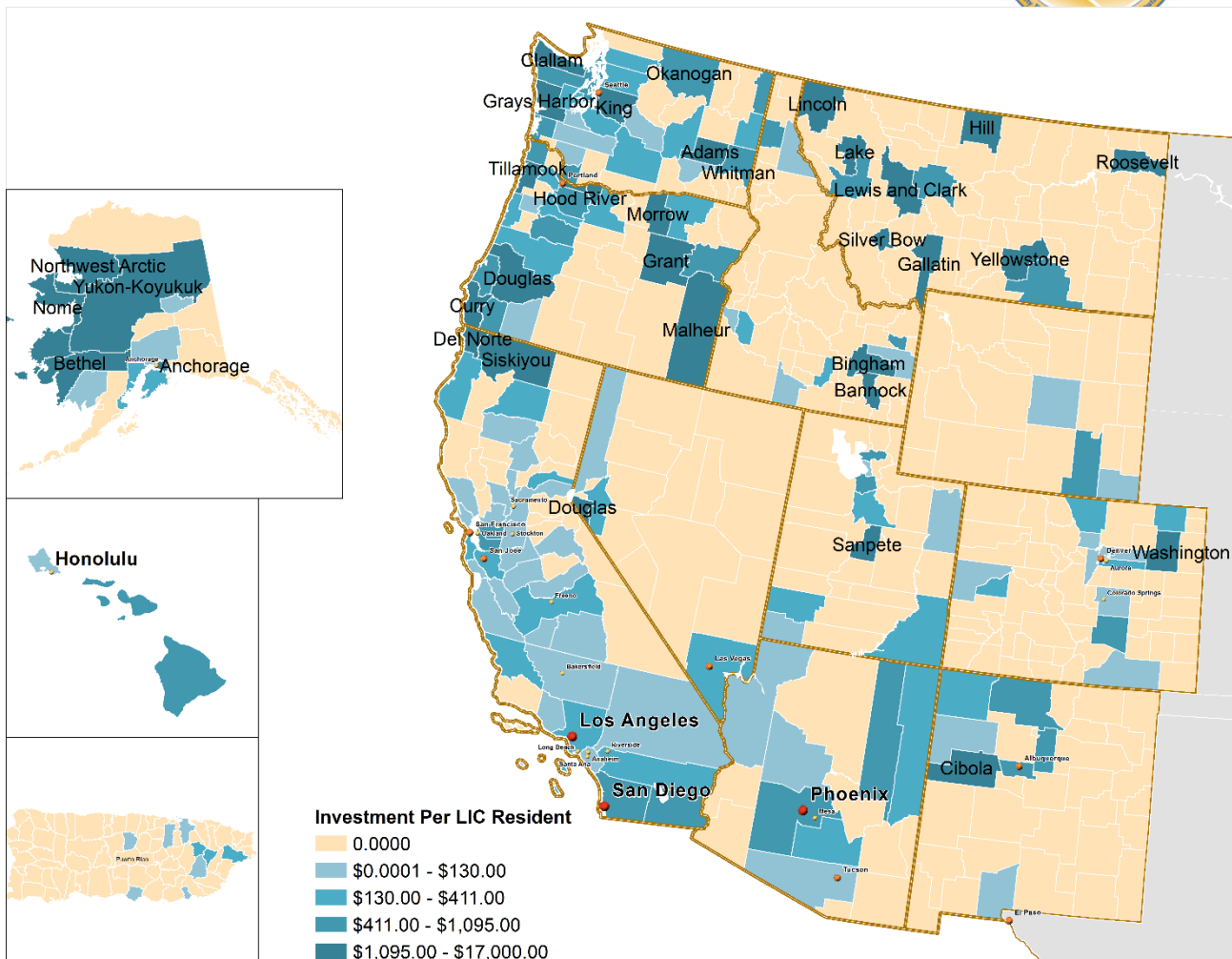


Geographic Distribution of NMTC Investments: West



Based on program activities reported through FY 2016, the top five Western counties to receive NMTC investments on a per LIC basis were the Grant County, OR (\$6,707); Northwest Arctic Borough, AK (\$5,970); Morrow County, OR (\$5,665); Lewis and Clark County, MT (\$5,201) and Curry County, OR (\$5,062).

The top five Western counties to receive NMTC investments in absolute amounts were Los Angeles County, CA (\$1,394 M); King County, WA. (\$662 M); Maricopa County, AZ (\$581 M); San Diego County, CA (\$572 M) and Multnomah County, OR (\$417 M).



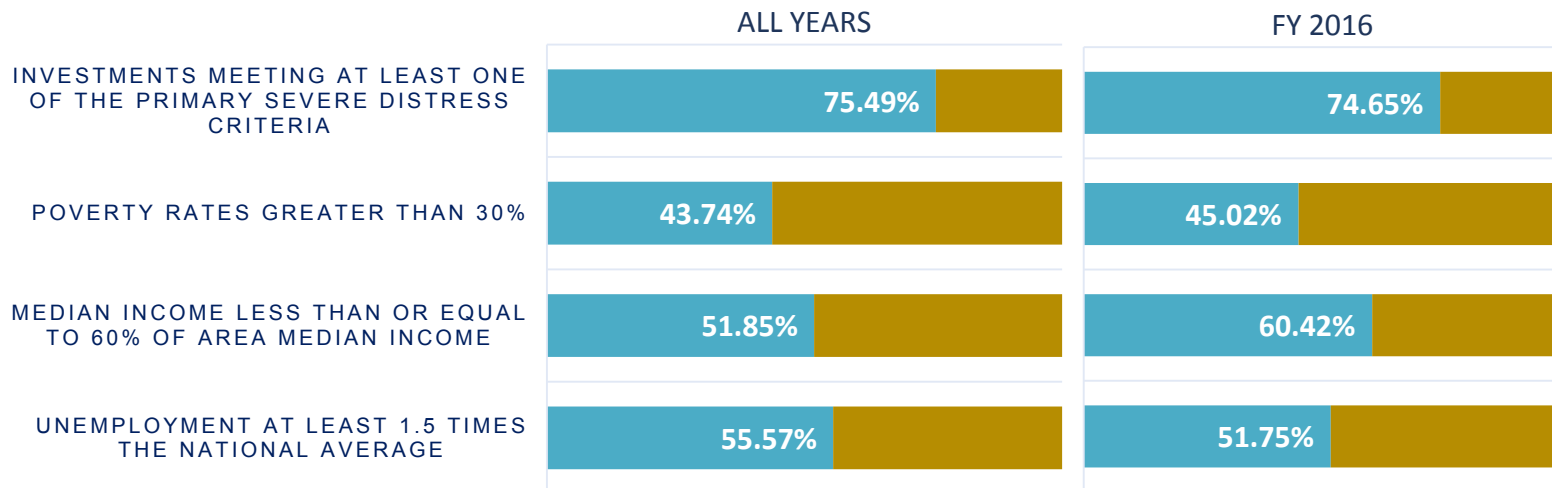
Investment Areas: Severe Distress



Allocatees can go beyond the minimum statutory distress requirements of the NMTC Program by committing to serve areas of higher distress. CDEs can do this in one of two ways: (1) CDEs can invest in areas that meet at least **one of the criteria for Primary indicators of higher distress**; or (2) CDEs can invest in areas that meet at least **two of the criteria for Secondary indicators of higher distress**.

One way to meet the primary criteria is by investing in census tracts that meet at least one of the following three “severe distress” criteria: (1) poverty rates of 30 percent or greater; (2) median family income at or below 60 percent of applicable area median income; or (3) unemployment rates at least one and a half times the national average.

PERCENTAGE OF QLICIS INVESTED IN AREAS OF HIGH DISTRESS



Investment Areas: Rural or Non-Metropolitan Areas



Allocatees can also meet the primary criteria for serving areas of higher distress by serving census tracts in rural or non-metropolitan counties. Through the Tax Relief and Health Care Act of 2006, Congress required that the New Markets Tax Credit Program direct a proportional amount of investment to non-metropolitan counties. Beginning with the CY 2008 allocation round, the NMTC Program used 20 percent as the appropriate benchmark for ensuring a proportional allocation of QLICs in non-metropolitan areas which approximated the percentage of the U.S. population that CDFI Fund data indicated resided in non-metropolitan counties.

PERCENTAGE OF QLICIS INVESTED IN NON-METROPOLITAN COUNTIES CY 2008 ALLOCATION TO PRESENT



Investment Areas: Targeted Populations



And finally, Allocatees can meet the primary criteria for serving areas of higher distress by serving Targeted Populations. Projects can meet this criteria by serving Targeted Populations to the extent that: (1) such projects are at least 60 percent owned by members of eligible Targeted Populations; (2) at least 60 percent of the employees are members of eligible Targeted Populations; or (3) at least 60 percent of the customers are members of eligible Targeted Populations.

PERCENTAGE OF QLICIS INVESTED IN TARGETED POPULATIONS

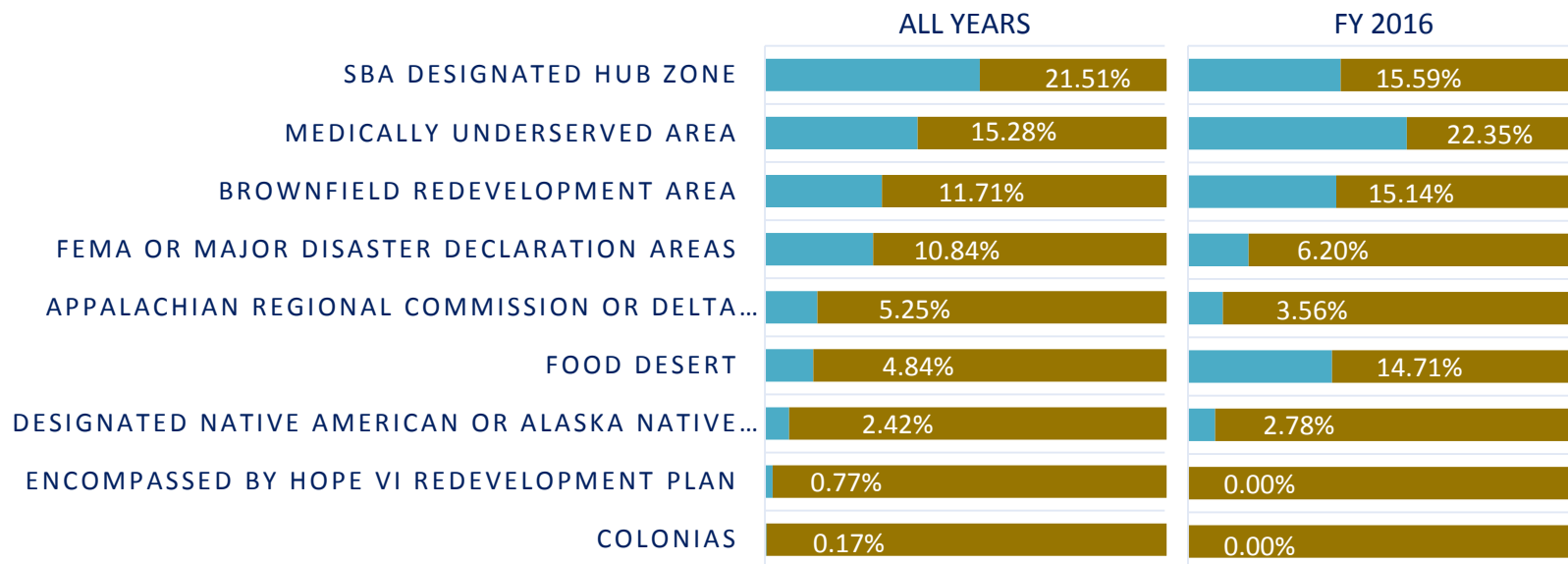


Investment Areas: Other Federal, State, Regional and Locally Designated Areas of Higher Distress



The vast majority of NMTC investments meet the primary criteria for investments in areas of higher distress. For the fraction of investments that do not meet the primary criteria, Allocatees can still meet their commitment to serving areas of higher distress by investing in projects that satisfy at least two of the secondary criteria below.

PERCENTAGE OF QLICIS INVESTED IN OTHER AREAS OF HIGHER DISTRESS

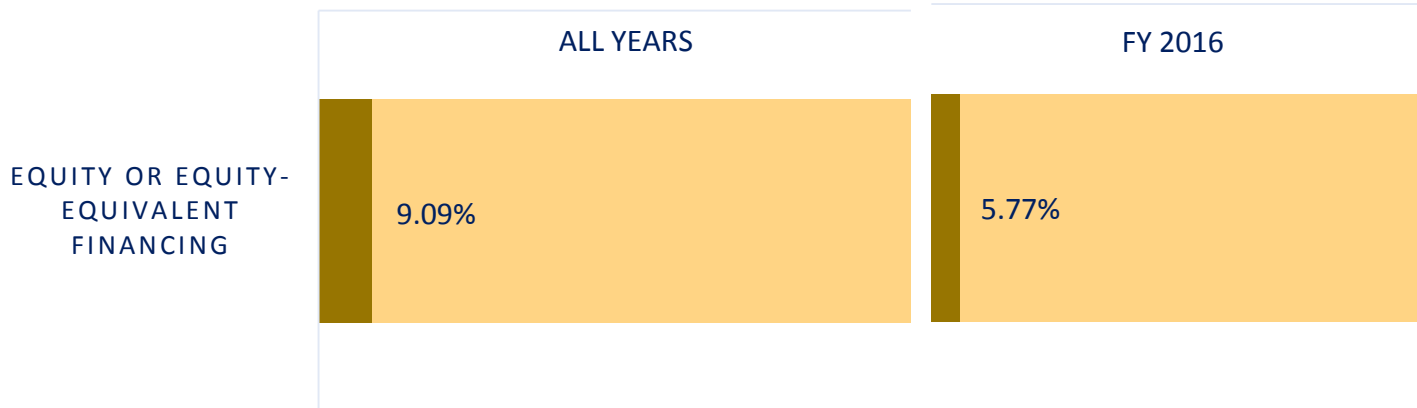


Flexible or Non-traditional Rates and Terms



The CDFI Fund requires Allocatees to offer financing with flexible or non-traditional rates and terms to low-income communities. Allocatees can meet this requirement in one of three ways; these are (1) by offering equity or equity equivalent financing, (2) by offering debt with interest rates that are a pre-specified percentage below either prevailing market rates or the Allocatees current offerings, or (3) by satisfying a designated number of criteria from a CDFI Fund defined list of criteria (these criteria are provided on the following slide).

PERCENTAGE OF QLICIS THAT ARE EQUITY OR EQUITY-EQUIVALENT FINANCING

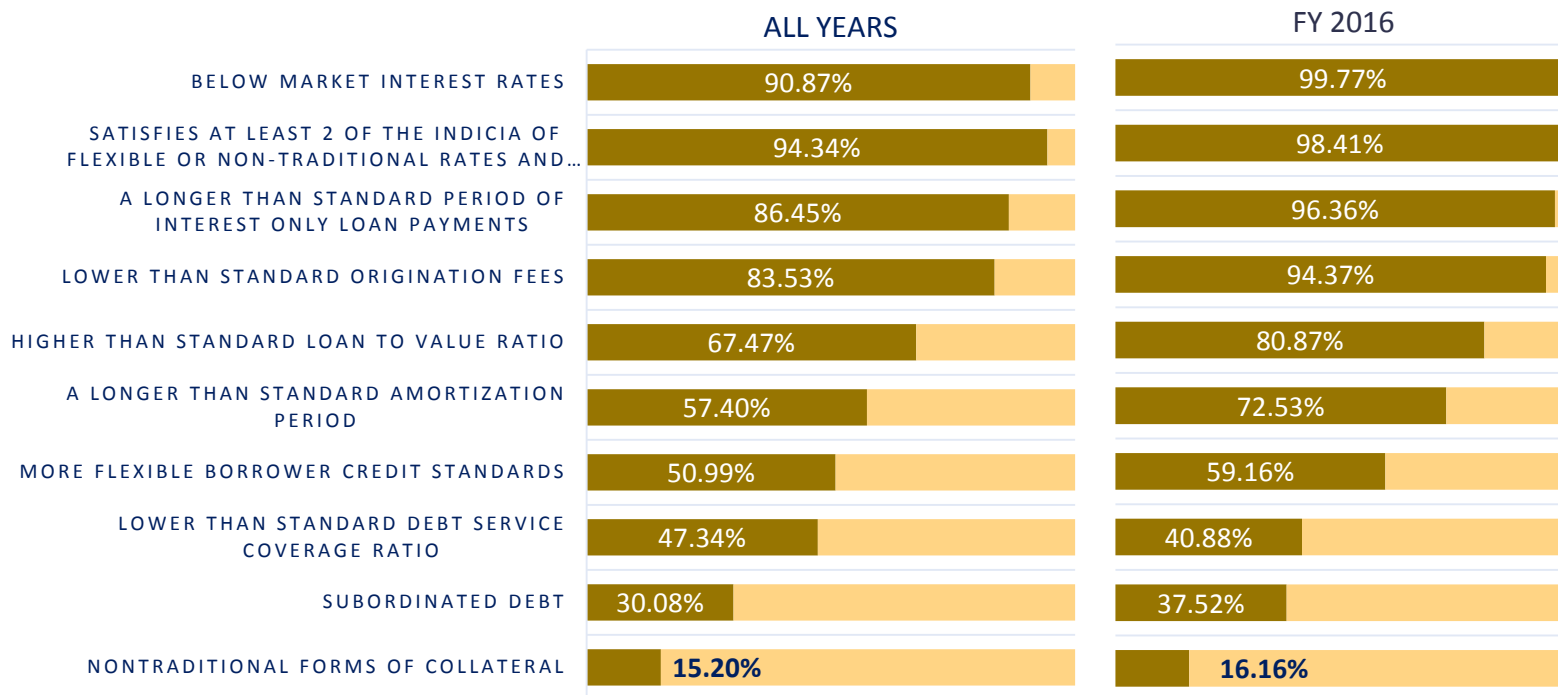


Flexible or Non-traditional Rates and Terms Cont.



Allocatees can meet the requirement for offering financing with flexible or non-traditional rates and terms by satisfying a designated number of criteria (specified in their Allocation Agreements) from the list of criteria below. Through FY 2016, 94 percent of QLICs met at least two of the criteria for flexible or non-traditional rates and terms. In FY 2016 alone, over 98 percent of QLICs met at least two of the criteria.

PERCENTAGE OF QLICIS MEETING A CRITERIA FOR FLEXIBLE TERMS AND RATES



NMTC Data Correction and Future Updates



With the publication of this report, Allocatees may identify updates or corrections related to the data published in the summary report and accompanying data file. In such cases, the CDEs may contact the CDFI Fund's Financial Strategies & Research department at CDFI-FinancialStrategiesandResearch@cdfitreas.gov.

Please provide the Originator Transaction ID, Project Number, Project Address and Project FIPS for the data records you wish to modify. The CDFI Fund will incorporate such information in future NMTC public data releases.