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Capital for Communities—  
Opportunities for People®

February 14, 2023

Senate Tax Chair Ann Rest  
328 Capitol  
St. Paul, MN 55155

Dear Senator Rest:

Community Reinvestment Fund, USA (CRF), a Minnesota-based Community Development Financial Institution (CDFI), appreciates the opportunity to voice its support for S.F. No. 1512, which establishes a Minnesota State New Markets Tax Credit Program that mirrors the federal New Markets Tax Credit (NMTC) Program. The federal NMTC Program was established as part of the Community Renewal Tax Relief Act of 2000 to stimulate investment in low-income and impoverished communities across the United States.

We are pleased to provide our firsthand experiences with the federal NMTC program since 2000 and our support for a State of Minnesota New Markets Tax Credit Program for the following reasons:

1. Proven financing tool for economic development projects where a GAP exists in the financing structure;
2. Leverages a public incentive to attract private investment;
3. Demonstrates and holds projects accountable to deliver Quality and Accessible Jobs in a wide range of industries; and
4. Builds off the successful federal program for implementation with respect to rules, guidance, and legislation.<sup>1</sup>

CRF has been an innovator and a participant in the federal NMTC since 2000. CRF and its affiliate, National New Markets Tax Credit Fund, Inc. (NNMTCF) have become one of the largest federal New Markets Tax Credit (NMTC) Allocatees in the country, receiving tax credit allocations totaling \$919.5 million which have been deployed in the form of flexible loans to both for-profit and non-profit operating businesses located in low-income communities across the country. The industry has invested more than \$2.7 billion of federal NMTC in the State of MN in over 200 projects retaining/creating 22K jobs in our state.<sup>2</sup>

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<sup>1</sup> See <https://www.cdfifund.gov/programs-training/programs/new-markets-tax-credit/apply-step>

<sup>2</sup> See <https://nmtccoalition.org/state-fact-sheets/>



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#### Recent Minnesota NMTC Investment

Con-Agra/Bird's Eye ground up construction of a 250K SF vegetable packing facility along with the purchase and installation of state-of-the-art equipment to process fresh vegetables in Waseca, Minnesota. CRF partnered with Midwest Minnesota Community Development Corporation to finance this essential manufacturing facility that aligns with the needs and local economic development initiatives of the City of Waseca and Waseca County Economic Development Strategic Plan. This project also advances the 2017 City of Waseca Vision 2030, which highlights local population decline and calls for the creation of high skilled jobs at existing and new businesses to attract and retain qualified workers who want to live and work in Waseca.

#### Conclusion

CRF supports **S.F. 1512** which would establish and fund a Minnesota state NMTC program. We believe that the current bill leverages best practices and efficiencies created at the federal level to drive inclusive growth for Minnesota's economy. Please contact Jennifer (612-305-2055) or Vicky Stein (612-200-9112) with any questions regarding our support for this proposed legislation.

Sincerely,

Jennifer Novak  
Senior Vice President

Victoria Stein  
Vice-President