

U.S. DEPARTMENT OF THE TREASURY

Press Center

Treasury Awards \$5 Billion to Encourage Private Sector Investments in Local Communities New Markets Tax Credit Program Includes \$1.5 Billion Awarded Under the Recovery Act

10/30/2009

TG-337

CHICAGO-- As part of the Obama Administration's efforts to revive local economies, Treasury Secretary Tim Geithner today visited a job training center in Chicago benefiting from private sector investments made through the New Markets Tax Credit (NMTC) program. As part of his visit, Geithner announced \$5 billion in NMTC awards, including \$1.5 billion made possible through the American Recovery and Reinvestment Act (Recovery Act), for more than 90 organizations in communities around the country.

"We must rebuild our economy on a firmer foundation, one that equips our workers with the skills and education they need to compete," said Secretary Geithner. "We must make sure that the advantages of this new, stronger economy are broadly shared. Too often, communities are left behind by economic growth. The Recovery Act and the New Markets Tax Credit program help break this vicious cycle to ensure the benefits of growth reaches all corners of the country."

In May 2009, Secretary Geithner announced an initial \$1.5 billion for NMTC awards under the Recovery Act, making today's announcement the second round of Recovery Act funding for the program. The NMTC program, established by Congress in December 2000, permits individual and corporate taxpayers to receive a credit against federal income taxes for making equity investments in investment vehicles known as Community Development Entities (CDEs). The investor receives a credit totaling 39 percent of the cost of the investment. CDEs must apply to the Treasury's Community Development Financial Institutions (CDFI) Fund, which administers the NMTC program, to compete for this allocation authority. The organizations receiving awards have identified principal service areas that will cover nearly every state in the country, as well the District of Columbia and Puerto Rico and plan to invest in renewable energy projects, charter schools, health care facilities, manufacturing companies, and retail centers.

Secretary Geithner's announcement was made today at the Greater West Town Community Development Project (GWTP) which provides job training and placement services to local residents, and educational and career development services targeted to former Chicago public high school drop-outs. Through financing provided by the Chicago Development Fund, a New Markets Tax Credit award recipient in Chicago, the GWTP will convert a vacant industrial building into a new job training and education facility. The GWTP projects the development will create 30 construction jobs and 35 permanent jobs for employees. Secretary Geithner was joined at the site by Donna J. Gambrell, Director of Treasury's CDFI Fund; Mayor Richard Daley; Congressman Danny Davis (IL-7); and Bill Leavy, Director of the GWTP.

Said Gambrell: "The New Markets Tax Credit Program is promoting private-sector investment in our nation's communities and is helping to stimulate economic growth, create jobs and bringing new opportunities to Americans most in need. This innovative federal program is helping to finance numerous businesses and real estate projects across the country--projects that may not have been financed if not for New Markets Tax Credits."

Said Leavy: "The major reason we are able to build this new job training facility is because we received a New Markets Tax Credit award. This innovative federal program is supporting the expansion of employment and educational opportunities so desperately needed in communities like ours."

To date, over \$14 billion of private-sector capital has been invested through the NMTC Program into urban and rural communities throughout the country. Data reported through 2008 shows that \$12.7 billion dollars of NMTC capital has been invested into approximately 2,000 businesses and real estate developments. A complete list of the organizations selected and additional information on the NMTC Program can be found on the CDFI Fund's web site at: www.cdfifund.gov.

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