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MHIC News

U.S. Treasury Department Announces \$3.5 Billion in New Markets Tax Credit Awards to Revitalize Low-Income and Distressed Communities

Three Massachusetts-based Entities Receive Allocation Awards Totaling \$138 Million

MHIC Receives \$60 Million, the Highest Amount Awarded to Any Single Entity; Boston Community Capital Gets \$40 Million and AI Wainwright Gets \$38 Million

Boston -- The U.S. Treasury Department's Community Development Financial Institutions Fund (CDFI Fund) today announced \$3.5 billion in New Markets Tax Credit awards aimed at revitalizing low-income communities and increasing economic opportunity nationwide. A total of 87 organizations (allocates) across the country will receive tax credit allocation authority under the calendar year 2013 round of the New Markets Tax Credit Program.

The 87 entities receiving awards were selected from a pool of 310 applicants that requested more than \$25.9 billion. The 2013 allocates are headquartered in 32 different states and the District of Columbia, and they have identified principal service areas that will cover nearly every state in the country and the District of Columbia.

Here in Massachusetts, three entities – Massachusetts Housing Investment Corporation (MHIC), Boston Community Capital and AI Wainwright received allocation awards. MHIC's award of \$60 million is the largest amount awarded to any organization (10 others received that amount) and it was one of only two non-national organizations to receive that size award. MHIC now has received awards in ten of the eleven rounds of national competition for a total of \$737 million in tax credit authority. This means that MHIC will hold its position as a national leader.

"The New Markets Tax Credit Program creates jobs and critical investments in low-income neighborhoods and rural communities across the nation," said Amias Gerety, Acting Assistant Secretary for Financial Institutions. "Often the New Markets Tax Credit is the most critical piece of the puzzle when trying to finance important economic development projects across the country. Its ability to attract private-sector capital into some of the most economically distressed and underserved communities is a hallmark of this important economic development program."

Upon hearing about today's award, Joe Flatley, President and CEO of MHIC, said, "We are proud and privileged to be in receipt of this new tax credit allocation award and to have been selected in this highly competitive process."

It will give us the resources to move forward with projects previously identified and to take advantage of new opportunities to finance high impact projects that will create jobs and build healthy communities in targeted areas throughout New England.”

The New Markets Tax Credit Program (NMTC Program), established by Congress in 2000, helps economically distressed communities attract private investment capital. This federal tax credit helps to fill project financing gaps by enabling investors to make larger investments than would otherwise be possible. Communities benefit from the jobs associated with these investments, as well as greater access to public facilities, goods, and services such as manufacturing, food, retail, housing, health, technology, energy, education, and childcare.

Since the NMTC Program's inception, the CDFI Fund has made 836 awards allocating a total of \$40 billion in tax credit authority to CDEs through a competitive application process. This \$40 billion includes \$3 billion in Recovery Act Awards and \$1 billion of special allocation authority to be used for the recovery and redevelopment of the Gulf Opportunity Zone. \$31.1 billion in NMTCs have been invested in low-income communities through FY 2012.

To date, MHIC has used its tax credit authority to finance approximately 72 projects in Massachusetts as well as in Rhode Island, New Hampshire, Vermont and Connecticut. Recent projects include:

- **Jackson Commons** - historic rehabilitation of a building and new construction to create a mixed-use development (commercial and housing) that is an integral part of the revitalization of the Boston’s Jackson Square neighborhood;
- Construction of a new **Center for Natural and Health Science** at Elms College in Chicopee;
- The rehabilitation of the historic, former **Worcester Telegram & Gazette Building** in downtown Worcester to create office and retail space;
- Rehabilitation of a historic building in Boston’s new innovation district to create a new home for the **Fraunhofer Center for Sustainable Energy**, which focuses on development and promotion of sustainable energy research products and systems
- New construction of **South Cove Manor** in Quincy, the only nursing home in the region that serves the Asian community;
- Complete renovation of the historic rehabilitation of the **Holyoke Public Library**;
- New construction of **Commonwealth Dairy**, a yogurt manufacturing facility that has created new jobs in a distressed rural area.

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