

MHIC News

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MHIC Receives \$65 million in New Markets Tax Credits to Finance Development of Healthy Communities Throughout New England

The U.S. Treasury Department's Community Development Financial Institutions Fund today announced \$3.5 billion in New Markets Tax Credits awarded to 73 Community Development Entities (CDEs) across the U.S. MHIC was awarded an allocation of \$65 million, MHIC's 12th NMTC award, bringing its total NMTC allocations to \$872 million.

This NMTC round was highly competitive, with only 73 awards being made out of 230 applicants – for about 22% of the funds requested. MHIC's \$65 million award was one of the largest in the country. Only five were larger and all of those were made to national organizations. MHIC makes its NMTC investments only in New England.

Three other Massachusetts-based CDEs received awards: The Community Builders (\$50 million), Community Health Center Capital Fund, (\$40 million), and The Housing Partnership Network (\$30 million), for a total in Massachusetts of \$185 million.

The tax credit allocation awards, made through the calendar year (CY) 2017 round of the NMTC Program will help stimulate investment and economic growth in low-income urban neighborhoods and rural communities.

With its new \$65 million allocation, MHIC can continue to fill the critical gap in financing for high impact community development projects that would not otherwise be possible to complete.

The 73 CDEs receiving awards today were selected from a pool of 230 applicants that requested an aggregate total of \$16.2 billion in tax credit allocation authority. The award recipients are headquartered in 29 different states, Guam, and the District of Columbia.

The New Market Tax Credit program has proven to be very effective way of channeling private capital into distressed areas throughout New England and across the country," said Joe Flatley, MHIC president. "The success of this program is a testimony to the power of public-private partnerships. We are pleased to have received another allocation award today and are proud to be among other entities which also received awards."

Today's announcement brings the total amount awarded through the NMTC Program to \$54 billion. Historically, NMTC Program awards have generated \$8 of private investment for every \$1 invested by the federal government. Through the end of fiscal year 2016, the most recent data available, NMTC Program award recipients deployed more than \$44.4 billion in investments in low-income communities and businesses; with impacts such as the creation or retention of nearly 750,000 jobs, and the construction or rehabilitation of more than 190 million square feet of commercial real estate.

When announcing the awards, U.S. Treasury Secretary Steven T. Mnuchin said, "Today's awards will finance projects ranging from manufacturing plants that create jobs to critically needed infrastructure." Secretary Mnuchin congratulated today's award recipients "for their outstanding work in improving distressed communities."

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