

Pennsylvania Housing Finance Agency

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**Commonwealth Cornerstone Group
to receive \$45 million of new markets tax credits**

Low-income communities statewide to benefit from investments

HARRISBURG – Commonwealth Cornerstone Group, a nonprofit community development entity created by the Pennsylvania Housing Finance Agency, has secured \$45 million in new markets tax credit (NMTC) allocations from the U.S. Treasury Department's Community Development Financial Institutions Fund.

CCG is one of 85 community development entities nationwide receiving an allocation of the total \$3.5 billion in new markets tax credits announced by the Treasury Department on April 24. With this newest allocation, CCG has received four NMTC awards totaling \$193 million, which it has used to fund 14 developments in the state.

“This is certainly welcome news that will benefit communities across Pennsylvania,” said Brian A. Hudson Sr., chairman of CCG and executive director and CEO of PHFA. “The investment of new markets tax credits by Commonwealth Cornerstone Group has been a catalyst for further economic development in distressed Pennsylvania communities, and this new allocation will allow us to continue to make these critical investments.”

The goal of CCG is to use these tax credits to fund projects in key areas within communities that have historic or cultural value and offer opportunities to spur economic revitalization. CCG will utilize the NMTC's to provide loans and equity investments for business expansion, mixed-use development, and community facilities across Pennsylvania.

Examples of past developments that have benefited from CCG's investment of these tax credits include Bakery Square in Pittsburgh, the Coal Street Community Facility in Wilkes-Barre, and Schmucker Hall in Gettysburg, among others. More information about CCG and the developments it has funded is available on the Web at:

<http://www.commonwealthcornerstone.org/>.

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 vehicles known as community development entities. The credit

provided to the investor totals 39 percent of the cost of the investment and is claimed over a seven-year period. For every dollar invested by the federal government, the NMTC program generates more than eight dollars in private investment.

For more information about the U.S. Treasury Department's Community Development Financial Institutions Fund, please visit: www.cdfifund.gov.

About PHFA

The Pennsylvania Housing Finance Agency works to provide affordable homeownership and rental housing options for older adults, low- and moderate-income families, and people with special housing needs. Through its carefully managed mortgage programs and investments in multifamily housing developments, PHFA also promotes economic development across the state. Since its creation by the legislature in 1972, it has generated \$11 billion of funding for more than 151,380 single-family home mortgage loans, helped fund the construction of 127,374 rental units, and saved the homes of more than 46,000 families from foreclosure. PHFA programs and operations are funded primarily by the sale of securities, not by public tax dollars. PHFA is governed by a 14-member board.

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