



News for Immediate Release

Sept. 18, 2014

Governor Tom Corbett Announces \$8 Million in New Markets Tax Credits to Help Finance Health and Literacy Center in Philadelphia

Harrisburg – Governor Tom Corbett today announced the allocation of \$8 million in New Markets Tax Credits to help fund construction of a state-of-the-art health, wellness and literacy center in Philadelphia. The new, 96,000 square foot Community Health and Literacy Center is being developed through a partnership between the Children’s Hospital of Philadelphia (CHOP) and the City of Philadelphia.

The new three-story facility at 1700 South Broad Street will replace a dated structure with one shared by CHOP and the city. The new building will house the CHOP Care Network Primary Care’s south Philadelphia office, the city’s Health Center 2, and the city’s South Philadelphia Neighborhood Library. A portion of the land will also be dedicated to the DiSilvestro Playground and Recreation Center. The Children’s Hospital of Philadelphia will develop the project in partnership with the city.

“This wonderful new resource for citizens in southeastern Pennsylvania is becoming a reality because private and public sector organizations came together and planned a shared building, better than either could have created on their own,” said Gov. Corbett. “In the future, solutions to public needs will come from pioneering partnerships like this one.”

Realizing each organization had unique needs that could be advanced by working together, the two agreed to a partnership whereby CHOP will lease land from the city on which it will construct a building offering a modern facility which will benefit both. The project creates a unique synergy producing an integrated resource offering health care, physical fitness and literacy for area residents. The facility will provide families with a single location for adult and pediatric health care.

The new building is expected to act as a catalyst drawing additional investment to that part of the city, including a proposed grocery store and housing. Construction officially begins today with groundbreaking at the site. Building completion is expected by December 2015.

The \$8 million in New Markets Tax Credits was awarded by Commonwealth Cornerstone Group (CCG), a community development entity (CDE) of the Pennsylvania Housing Finance Agency. An additional \$22.5 million in tax credits is

being provided by three other CDEs. CCG was created in 2004 by PHFA to serve as a nonprofit CDE for the administration of New Markets Tax Credits.

“This new construction will not only create jobs, but it will expand and enhance the health care and public services provided in the region by these two forward-thinking partners,” said Brian A. Hudson Sr., CCG chairman and executive director of the Pennsylvania Housing Finance Agency.

This development is expected to create 234 temporary construction jobs during the construction period and five permanent jobs once completed. The project will retain 42 jobs at the City Health Center, 11 library jobs, two recreation facility jobs, and 85.5 jobs at CHOP. The construction and operation of the facility is expected to support 40 additional indirect jobs and have a total economic impact for the region of more than \$47 million.

The \$8 million New Markets Tax Credit transaction is expected to close during the next few weeks.

About the New Markets Tax Credit Program

The New Markets Tax Credit Program was established by Congress in 2000 to spur new or increased investments into operating businesses and real estate projects located in low-income communities. The NMTC Program attracts investment capital to low-income communities by permitting individual and corporate investors to receive a tax credit against their federal income tax return in exchange for making equity investments in specialized financial institutions called Community Development Entities, such as Commonwealth Cornerstone Group. The program is administered by the U.S. Department of the Treasury.

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 nearly \$11.6 billion of funding for nearly 156,400 single-family home mortgage loans, helped fund the construction of 122,590 rental units, and saved the homes of more than 47,600 families from foreclosure. PHFA programs and operations are funded primarily by the sale of securities and from fees paid by program users, not by public tax dollars. The agency is governed by a 14-member board.

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