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Commonwealth Cornerstone Group Receives \$80 Million of New Markets Tax Credits

These tax credits have a proven track record of attracting investment to distressed communities

Harrisburg, PA – Governor Tom Wolf today announced that Commonwealth Cornerstone Group, a nonprofit community development entity (CDE) created by the Pennsylvania Housing Finance Agency, has secured \$80 million in New Markets Tax Credit (NMTC) allocations. The tax credits are provided by the U.S. Department of the Treasury’s Community Development Financial Institutions Fund.

This is the largest single award round since the New Markets Tax Credit Program was created in 2000. The number of minority-owned or controlled organizations receiving awards also nearly tripled from the previous award round.

“To receive a New Markets Tax Credit award of this amount is tremendous,” said Governor Wolf. “These tax credits have proven their ability to attract private sector investment to distressed and low-income areas, providing much-needed jobs and economic stimulus. These will be put to use helping provide an economic spark for communities across the commonwealth.”

CCG is one of 120 community development entities nationwide receiving an allocation of the total \$7 billion in New Markets Tax Credits announced by the Treasury Department yesterday. Reflecting the tremendous competition for NMTCs, 238 CDEs had applied for tax credits; only 50 percent of the applicants received funding.

With this newest allocation, CCG has received seven NMTC awards totaling \$351 million, which it has used to fund 30 projects in the state. These NMTCs have stimulated the creation of more than 5,300 construction jobs and more than 4,200 permanent jobs.

“This is the largest New Markets Tax Credit award ever provided to Commonwealth Cornerstone Group,” said Brian A. Hudson Sr., chairman of CCG and executive director and CEO of PHFA. “We appreciate the faith shown in us by the Treasury Department, and we’re excited about the positive impact this funding can have in communities large and small.”

The goal of CCG is to use these tax credits to fund projects in key areas within communities to create business opportunities and 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 Stephen Klein Wellness Center in Philadelphia, and the Coal Street Community Facility in Wilkes-Barre, among others. More information about CCG and the developments it has funded is available [on the Web](#).

The New Markets Tax Credit Program, established by Congress in December 2000, permits individual and corporate taxpayers to receive a non-refundable tax credit against federal income taxes for making equity investments in vehicles known as community development entities. CDEs that receive the tax credit allocation authority under the program are domestic corporations or partnerships that provide loans, investments, or financial counseling in low-income urban and rural communities.

The tax credit provided to the investor totals 39 percent of the cost of the investment and is claimed over a seven-year period. The CDEs, in turn, use the capital raised to make investments in low-income communities. Historically, for every dollar invested by the federal government, the NMTC program generates more than eight dollars in private investment.

Today's awards bring the total amount awarded through the New Markets Tax Credit Program to \$50.5 billion. Since 2001, NMTCs have generated more than \$42 billion in investments in low-income communities and businesses, resulting in the creation or retention of more than 500,000 jobs, and the construction or rehabilitation of more than 164 million square feet of commercial real estate.

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

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