

# New Markets Tax Credits

## Building Blocks for Kansas City's Future

May 2009

### Treasury's New Markets Tax Credit Program Named One of Top 50 in the Innovations in American Government Awards Competition

The U.S. Department of the Treasury's New Markets Tax Credit (NMTC) Program was named one of the Top 50 Government Innovations that will advance to the final stages of competition for the prestigious 2009 Innovations in American Government Award. The NMTC Program, which is administered by Treasury's Community Development Financial Institutions (CDFI) Fund, was chosen from more than 600 applicant programs representing all levels of government across the nation and is the second year in a row that it has been chosen to advance to the final stages of the competition.



Since it was created in December 2000 the NMTC Program has attracted critically needed private-sector capital to hard-to-finance but vital projects in the nation's low-income communities.

"Not only does the New Markets Tax Credit Program encourage the flow of low-cost and flexible private-sector investment into some of our country's most economically distressed communities, but it also serves as a great example of how the public and private sectors can responsibly work together," said Treasury Secretary Timothy Geithner.

The CDFI Fund's data shows that for every \$1 in foregone tax revenue under the NMTC Program, over \$14 is being invested in important projects providing needed jobs and revitalizing these communities.

In addition to the leveraging of taxpayer resources, accountability to the public is an important aspect of the NMTC Program. Organizations that are selected through the merit-based application review must not only demonstrate that they are accountable to the communities they serve by including representatives from those communities on their governing or advisory boards, but they must also demonstrate their accountability to the American taxpayer. Organizations awarded New Markets Tax Credits must regularly report to the CDFI Fund the projects they are investing in, and they must meet certain financial and other performance goals or risk losing their allocation of tax credits.

"I am thrilled that the New Markets Tax Credit Program has been selected as one of the Top 50 Government Innovations in this year's Innovations in American Government Awards competition," said Donna Gambrell, Director of the CDFI Fund. "But I am even more pleased knowing that we are making a difference in today's tightening market. The awards we make will foster the flow of critically needed credit, typically well below market and with responsible yet flexible underwriting, and will yield economic growth and create needed jobs that might not otherwise be possible in these low-income communities."

The Innovations in American Government Program is a significant force in recognizing and promoting excellence and creativity in the public sector. Through its annual awards competition, the Innovations in American Government Program provides concrete evidence that government can work to improve the quality of life for citizens. It is administered by the Ash Institute for Democratic Governance and Innovation at Harvard's Kennedy School.

### Quick Fact

The CDFI Fund announced that it received 249 applications for the 2009 round of the NMTC program. Applicants requested an aggregate total of \$22,496,767,600 in NMTC allocation authority. \$5 billion of allocation authority is available for the seventh NMTC round, including the \$1.5 billion in additional allocation authority authorized through

the American Recovery and Reinvestment Act of 2009. The CDFI Fund anticipates announcing the organizations that will receive NMTC allocations in October of 2009. Both the Kansas City, Missouri Community Development CDE and the Central Bank of Kansas City CDE applied for a renewal of their allocation authority.

## 2009 Kansas City, Missouri Community Development CDE Governing Board member profile: Jean-Paul Chaurand, Sr. Vice President, Greater Kansas City Community Foundation



Jean-Paul Chaurand is the senior vice president of community investment for the Greater Kansas City Community Foundation. In this role Jean-Paul oversees the leadership and grant making activities of the Foundation. Jean-Paul manages the organization's program related investments and works on key community projects. In addition, Jean-Paul leads on the Foundation's efforts related to outreach to diverse communities including communities of color, young professionals, and the LGBT community.

Prior to coming to the foundation, Jean-Paul served as executive director of the Hispanic Economic Development Corporation. Through the organization Jean-Paul worked to improve the quality of life of Latinos in Kansas City by developing and implementing economic development initiatives. Jean-Paul also worked for the National Council of La Raza (NCLR) as an economic development specialist, and served as director of development and policy analyst for the Guadalupe Center.

Jean-Paul received a Bachelor of Arts in Urban Affairs/Urban Planning from the University of Missouri at Kansas City and is a graduate of UMKC's Bloch School Executive MBA Program.

## 2009 Kansas City, Missouri Community Development CDE Governing Board:

**Wayne A. Cauthen**, City Manager, City of Kansas City, Mo.

**Jean-Paul Chaurand**, Senior Vice President, Greater Kansas City Community Foundation

**Joseph F. Egan**, Director/Chairman, Board of Commissioners, Housing Authority of Kansas City

**Margaret J. May**, Executive Director, Ivanhoe Neighborhood Council

**Jeffrey A. Yates**, CFO/Director, Finance Department, City of Kansas City, Mo.

## Reminder

Applications for businesses and projects eligible for NMTC facilitated financing are due by 5:00 p.m. on May 29th. Applications are to be delivered to Ruben Alonso III, NMTC Coordinator at 414 East 12th Street, 3rd Floor, Kansas City, MO 64106. Prospective applicants

are required to first complete and submit a project eligibility checklist prior to submitting an application. Information on the Kansas City, Missouri Community Development CDE's application process is available at: <http://www.kcmo.org/finance.nsf/web/newmarket>

## Contact information:

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