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**MAYOR EMANUEL AND SENATOR DURBIN ANNOUNCE \$65 MILLION IN TAX CREDITS
TO THE CHICAGO DEVELOPMENT FUND**

Funding is part of \$3.6 billion competitively awarded by the Treasury Department

Chicago Mayor Rahm Emanuel and U.S. Senator Dick Durbin (D-IL) today announced that the Treasury Department has awarded \$65,000,000 in New Market Tax Credits to the Chicago Development Fund which will use these tax credits to invest in projects and businesses in Chicago's low-income communities. New Markets Tax Credit Program, established by Congress in December 2000, is designed for community development organizations with the goal of saving and creating jobs and spurring economic development in distressed communities.

"Since their creation in the late 1990s, New Markets Tax Credits have been an essential program that allows governments to leverage private investment and make crucial advances in our neighborhoods," said Mayor Emanuel. "I am thrilled that here in Chicago, we'll be able to use this important tool to create crucial jobs in key sectors, such as the healthcare and retail industries, and that these jobs will be available in neighborhoods that need them the most. These credits will help achieve a key goal of my administration: growing business and fostering opportunity throughout the city."

"The Chicago Development Fund has proven successful at spurring private sector investment in low-income Chicago communities and doing it in an environmentally stable



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way,” said Senator Durbin. “Today’s allocation is critical to continuing that momentum and creating jobs, opportunities and economic development where it is needed most. This will help ensure that no community is left behind as our economy begins to recover.”

The Chicago City Council established the Chicago Development Fund in July 2005 as an Illinois non-profit corporation that allocated New Market Tax Credits to eligible projects in the city that create jobs, increase wages and enhance access to medical, cultural and shopping amenities. The tax credits are converted into investment capital for development projects located in qualified low-income areas. The Chicago Development Fund was awarded \$100 million in New Market Tax Credits in September 2006, the largest allocation awarded to a municipality during that round.

The New Markets Tax Credit Program permits individual and corporate taxpayers to receive a credit against federal income taxes for making qualified equity investments in investment vehicles known as Community Development Entities – such as the Chicago Development Fund. The credit provided to the investor totals 39 percent of the cost of the investment and is claimed over a seven-year period. Substantially all of the taxpayer’s investment must in turn be used by the entity to make qualified investments in low-income communities. The organizations receiving New Markets Tax Credit allocations are selected through a competitive application and rigorous review process.

Today’s funding is part of the Treasury Department’s announcement of \$3.6 billion in New Market Tax Credits to Community Development Entities. Included in today’s announcement were two organizations headquartered in Chicago and serving Illinois and other areas of the country: IFF (\$25,000,000) and Urban Development Fund, LLC (\$45,000,000).

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