



U.S. Bank Receives \$65 Million in New Markets Tax Credit Allocations

September 15, 2021

Funds will support projects focused on racial equity and closing the racial wealth gap

MINNEAPOLIS--(BUSINESS WIRE)--Sep. 15, 2021-- USBCDE, LLC – U.S. Bank’s community development entity (CDE) – received \$65 million in tax credit allocations from the U.S. Department of Treasury. The allocation is part of the federal government’s \$5 billion New Market Tax Credit (NMTC) program and is intended to help address persistent gaps in economic outcomes in lower-income communities.

USBCDE was one of 100 CDEs to receive a share of the NMTC allocation authority package [announced by the Treasury's](#) Community Development Financial Institutions Fund (CDFI Fund). This is USBCDE’s 11th allocation under the NMTC program, and the fourth year in a row it has received the highest funding level granted. Since its inception, USBCDE has invested more than \$820 million in communities across the country, resulting in the creation of more than 47,000 jobs and 466 affordable housing units and increased the capacity of people served at community facilities like schools and health care centers by more than 1.1 million annually.

The NMTC program is an economic development tool that infuses up-front capital in areas that need it most. CDEs allocate tax credits to projects, attracting private investment capital that helps grow businesses and create jobs in economically distressed communities. According to the Department of the Treasury, NMTC program awards generate more than \$8 of private investment for every \$1 invested by the federal government.

“U. S. Bank is the most active NMTC investor in the country, investing more than \$6 billion nationwide in a wide variety of economic development projects across the country,” said Zack Boyers, president and CEO of U.S. Bancorp Community Development Corporation, the tax credit and community investment subsidiary of U.S. Bank. “Our USBCDE has gone a step further, making a strategic commitment to use our own allocation on projects that support racial equity. We believe by driving investment to communities of color, where racial barriers have perpetuated inequitable outcomes, we can help reduce the racial wealth gap.”

U.S. Bank’s focus on equity extends beyond just the projects it supports through its NMTC allocation.

Fee income collected through these projects is also reinvested, with USBCDE distributing it as grants to organizations with a racial equity focus. Since 2013 it has given \$5.4 million to communities, including [\\$1.1 million in grants](#) to Black-led CDFIs and the African American Alliance of CDFI CEOs in 2020 in the wake of COVID-19 and civil unrest.

It also deploys some of its own allocation to emerging and person of color-led CDEs through the intermediary CDE model – a partnership that helps the CDE build a NMTC track record, offers an opportunity to deploy this resource within their selected community, and is a potential factor for success in gaining future allocation.

“We’ll continue our work to support CDEs and we’re looking at it in a more holistic way – including mentoring and financial and technical assistance with the application process,” said Laura Vowell, who directs business development for the bank’s NMTC business and USBCDE, LLC.

Some of the projects USBCDE has financed with its allocation in the past year include the renovation of the long-term home for Byrd Barr Place, a Black-led nonprofit organization with a 56-year history of providing safety-net services and combating racial inequity in Seattle; working capital financing for a Black-owned home healthcare service business in Memphis, Tennessee; working capital financing for a non-profit Martin Luther King Jr. Community Hospital in South Los Angeles, helping to meet the hospital’s needs in response to the COVID-19 pandemic; and working capital for Hmong American Partnership, an organization that expands educational and job training programs for Hmong immigrants and refugees in St. Paul, Minnesota.

USBCDE’s intentional focus on racial equity supports [U.S. Bank Access Commitment](#), announced earlier this year. U.S. Bank Access Commitment is our long-term approach to help build wealth while redefining how the bank serves racially diverse communities and providing more opportunities for diverse employees.

About U.S. Bancorp Community Development Corporation:

With \$35.75 billion in tax credit equity committed as of July 31, 2021, U.S. Bancorp Community Development Corporation, a subsidiary of U.S. Bank, provides innovative financing solutions for community development projects across the country using state and federally sponsored tax credit programs. USBCDC’s commitments provide capital investment to areas that need it the most and contribute to the creation of new jobs, the rehabilitation of historic buildings, the construction of needed affordable housing, the development of renewable energy facilities, and the generation of commercial economic activity in underserved communities. Visit USBCDC on the web at www.usbank.com/cdc.

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