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U.S. Treasury Officials Tour Nation's "Best Tax Credit Financed Project"

Treasury Dept. Director Donna Gambrell Surveys New Orleans' Second Line Stages Film Studio and Other Notable Redevelopment Projects Funded with Tax Credits From National New Markets Fund

New Orleans – June 8, 2009 -- Donna J. Gambrell, Director of the U.S. Treasury Department's Community Development Financial Institutions (CDFI) Fund, traveled to New Orleans last week for a series of visits to community redevelopment projects that exemplify best practices in the use of New Markets Tax Credit (NMTC) financing.

Her visit included a tour of the Second Line Stages (SLS) film studio project, which was recently honored as the Best Tax Credit Financed Project in the Nation by the Council of Development Finance Agencies (CDFA). Other stops included Ochsner Baptist Medical Center and the site of the planned Federal City office park.

All three of these projects on Ms. Gambrell's tour share one common element – NMTC investment or potential future investment and technical assistance provided by Los Angeles-based National New Markets Fund.

"We are delighted that Ms. Gambrell had an opportunity to see first-hand how New Markets Tax Credits are helping facilitate very impactful yet challenging redevelopment projects that otherwise wouldn't get funded," said National New Markets Fund Co-Founder Deborah La Franchi, who accompanied Ms. Gambrell on her tour of the sites. "New Markets Tax Credits are the lynch pin that makes these types of projects feasible – especially in this very challenging economic climate."

New Markets Tax Credits (NMTCs) were created in 2000, and are administered by the U.S.

Treasury Department's CDFI Fund to serve as a catalyst for private capital investment in redevelopment projects located in underserved urban and rural low-income communities.

"The city of New Orleans and the resilient people committed to its full recovery have a very special place in my heart," said Director Gambrell. "I am very proud to see the CDFI Fund's programs producing tangible results in the most distressed communities of New Orleans, and more importantly, clearly helping to improve the lives of the local residents."

The award-winning Second Line Stages project in New Orleans' Lower Garden District is the first "green-from-the-ground-up" film studio designed to meet the U.S. Green Building Council's advanced LEED Silver Certification standard. Slated for completion in January 2010, the project combines new construction with restoration of a historic yet severely dilapidated and contaminated warehouse. It will include a training and resource center to help local residents find jobs in the region's burgeoning entertainment production industry.

The Federal City project in New Orleans' Algiers District is a public-private venture to transform a military naval support facility into a first-of-its-kind federal office park. It comprises more than 165 acres along the West Bank of the Mississippi River, and is expected to serve as a model for converting future Department of Defense installations nationwide.

The Ochsner Baptist Medical Center project in uptown New Orleans involved redevelopment of more than 1 million square feet of medical services space, including a 100-bed hospital, senior living facility, outpatient imaging center, radiation therapy center and medical office buildings.

These and other GO (Gulf Opportunity) Zone projects funded with NMTCs from National New Market Fund bring substantial economic, social and environmental benefits to low-income communities, including those still reeling from the effects of Hurricane Katrina.

About the National New Markets Fund

The National New Markets Fund, LLC (the "Fund") invests in real estate projects in targeted low-income communities nationwide, with a special emphasis on projects in the South, California and the Pacific Northwest. Its mission is to provide funding and technical assistance for projects that foster job creation and overall economic and social development. The Fund consists of \$125 million in New Markets Tax Credit (NMTTC) Allocations awarded by the U.S. Department of the Treasury. The Fund was created in 2005 as a partnership between Los Angeles-based Strategic Development Solutions (SDS) and Boston-based Economic Development International. SDS was founded in 2001 by Deborah La Franchi, and has become a market leader in the creation of Double and Triple Bottom Line private equity and real estate funds. Working alongside Economic Innovation International, SDS has built \$2 billion in such funds across the U.S. Economic Innovation International, Inc. was founded in 1970 by Belden Hull Daniels, and is recognized internationally for building more than \$100 billion of privately capitalized, innovative institutions that generate wealth and high quality jobs. More information about the National New Markets Fund is available at www.sdsgroup.com/new-markets-fund.html.

About the U.S. Treasury Department's New Markets Tax Credit (NMTC) Program

The NMTC Program, established by Congress in December of 2000, 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 (CDEs). 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 CDE to make qualified investments in low-income communities. Successful applicants are selected only after a competitive application and rigorous review process that is administered by the CDFI Fund.

Through the first six rounds of the NMTC Program, the CDFI Fund made 396 awards totaling \$21 billion in tax credit allocation authority. The CDFI Fund anticipates awarding another \$5 billion of allocation authority to CDEs in the fall of 2009, including the additional \$1.5 billion in allocation authority authorized through the Recovery Act. More detailed information on the NMTC Program can be found by visiting the CDFI Fund's website at www.cdfifund.gov.

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