

STATE HOUSE NEWS SERVICE

AT HUB STOP, GEITHNER SEES TURN IN ECONOMY

By Jim O'Sullivan
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ROXBURY, MAY 27, 2009.....US Treasury Secretary Timothy Geithner sounded notes of optimism during a stop in Boston Wednesday, calling the country's recovery underway.

"The national economy is showing some initial signs of stability, confidence has improved, the financial system is starting to heal, credit is starting to ease a bit," Geithner said during a press conference rolling out \$1.5 billion in tax credits for nationwide organizations investing in "struggling neighborhoods."

Geithner added, "This is just the beginning, however. We have a long way to go."

A Roxbury non-profit, housed in a "green" building built with tax credits from the same "new markets" tapped Wednesday, provided the setting for Geithner's announcement.

Thirty-two groups around the country, including a Rockland-based community development corporation in line for \$50 million, have been designated to receive funds in connection with investments in renewable energy projects, charter schools, health care facilities, manufacturing companies and retail centers. Qualifiers receive credits against federal income taxes in exchange for qualified equity investments in "community development entities."

Geithner said three awardees were "considering projects in Massachusetts."

After a rocky nomination and a policy speech in February that many analysts said actually worsened financial markets, Geithner has seemingly picked up steam, and drew plaudits Wednesday from U.S. Rep. Barney Frank, chair of the House Financial Services Committee, and Gov. Deval Patrick.

Praising President Barack Obama's recovery efforts, Frank said, "It is now clear that the early naysayers not only were too early, they were wrong."

Patrick called Geithner "a perfect shepherd for this agenda."

Facing a bank of cameras in a crowded conference room at Project HOPE, U.S. Rep. Michael Capuano held up the tax credits as examples of good government.

"Your tax dollars are going to work [in] your neighborhoods to improve people's lives," Capuano said. "I don't know what else we're supposed to be doing."

Geithner and Patrick left the press conference without taking questions, heading to the State House for lunch in Patrick's office.

The Project HOPE building, which houses adult education, job placement, and career development services, was built in part with \$4.8 million in "new markets tax credit" financing, according to Geithner's office.