

The Boston Globe

## In Hub, Geithner details additions to tax credit plan

By Jenifer B. McKim, Globe Staff | May 28, 2009

Treasury Secretary Timothy F. Geithner brought his effort to stimulate the economy to Roxbury yesterday, where he announced 32 organizations across the country that will share \$1.5 billion in new tax credits aimed at creating jobs in low-income communities.

Geithner spoke 100 days after President Obama signed into law the American Recovery and Reinvestment Act, which boosted to \$5 billion a \$3.5 billion annual allotment in the so-called New Market Tax Credit program, an economic development effort launched in 2000.

The beneficiaries receive the tax credits and sell them to private investors to help fund projects in renewable energy, education, healthcare, and retail in low-income communities.

"Too often, when it comes to development, distressed communities are simply ignored," Geithner said. "The program provides a powerful incentive to investors to take a chance on projects in communities which have potential."

Geithner spoke at Project Hope, a multiservice program in Roxbury for low-income families, whose modern four-story building was partly funded by tax credits. Geithner was accompanied by Governor Deval Patrick, Boston Mayor Thomas M. Menino, US Congressman Barney Frank, and Project Hope executive director Sister Margaret Leonard.

Leonard said the nonprofit was able to create the new building on a vacant lot at the city's epicenter for family homelessness because of private investment created by the program. "We have witnessed miracles in the lives of families," she said.

The program allows individuals and corporate taxpayers to receive credits against federal income taxes by investing in organizations that help low-income communities. Taxpayers receive a credit worth 39 percent of their investment, which they can claim over seven years.

Rockland Trust Community Development Corp., a lender that invests in low-income communities in southeastern Massachusetts and Rhode Island, is one of three organizations approved to sell \$190 million in tax credits in Massachusetts.

Edward H. Seksay, a manager at Rockland Trust, said the organization will now make low-interest loans to community projects based on sales of its new \$50 million allotment of tax credits. "We have a pipeline of loans created," said Seksay, meaning the lender has already received a number of applications.

At yesterday's event, Geithner introduced Mike Psikarakis, who opened a Brockton restaurant three weeks ago with his brother Nicholas and the help of the New Market Tax Credit program. Psikarakis said he and his brother employed about 30 people to rehab the restaurant, Mikos Cafe. The breakfast cafe now employs eight full-time workers. "It is what communities need; something new, something fresh," Psikarakis said.

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