



U.S Bank receives \$60 million of New Markets Tax Credit allocation

November 3, 2022

Funds will be intentionally used to support projects, job creation in communities of color

ST. LOUIS, Mo.--(BUSINESS WIRE)--Nov. 3, 2022-- U.S. Bank's community development entity (CDE) – USBCDE, LLC – received \$60 million of New Markets Tax Credit (NMTC) allocation from the U.S. Department of Treasury. The allocation was among the largest awarded in this round and is part of the federal government's \$5 billion NMTC program, which helps economically distressed communities attract private investment capital.

USBCDE was one of 107 CDEs to receive a share of the NMTC allocation authority package [announced by the Treasury's](#) Community Development Financial Institutions Fund (CDFI Fund). It's the bank's 12th allocation under the NMTC program and the fifth year in a row it has received an award. Since its inception, USBCDE has invested more than \$870 million in communities across the country, helping create more than 59,000 jobs and increasing the capacity served at community facilities like schools and health care centers by more than 1.8 million people annually.

Some recent projects USBCDE has financed with its allocation include an expansion of the Dewberry, a multi-tenant healthcare facility in Birmingham, Alabama, serving low income uninsured and under-insured people living with HIV/AIDS; the purchase of equipment and inventory for Ogaakaaning Wild Rice in Bemidji, Minnesota, which is the first business owned by the Red Lake Nation of Chippewa to operate off the Red Lake Nation Reservation; an infrastructure project in the Crenshaw neighborhood of Los Angeles that will create a hub for Black art, culture and commerce, including pocket parks, landscaping, public art and support to local businesses; and a complete redevelopment of the historic Lexington Market, one of the country's oldest markets and key anchor of Baltimore's downtown west side.

The NMTC program is an economic development tool that infuses 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.

In addition to the work done through its CDE, U.S. Bank is also the most active NMTC investor in the country, having invested more than \$7.3 billion nationwide in a wide variety of economic development projects nationwide.

Laura Vowell, managing director of Community Finance Solutions for U.S. Bancorp Community Development Corporation – the tax credit and community investment subsidiary of the bank – credits the CDE's strategic shift several years ago to use its allocation to drive investment to communities of color, where racial barriers have perpetuated inequities.

"We are intentional about how we invest our own allocation, focusing on purposeful equity. We prioritize projects that help reduce the racial wealth gap, create quality jobs, provide critical services and build wealth by making investments that support or are owned or led by people of color," said Vowell, who heads the bank's NMTC business and USBCDE, LLC.

Fee income collected through these projects is also reinvested; USBCDE distributes it as grants to organizations with a racial equity focus and has provided \$6.9 million to organizations and communities since 2013.

"We take our role as a large investor very seriously," Vowell said. "We're constantly looking for ways we can better leverage our power and influence to advance racial equity in the industry."

In addition to being a vocal advocate for greater equity in the NMTC industry, U.S. Bank has provided technical assistance, grant dollars and referrals for third-party support to several person of color-led CDEs to assist in completing the allocation application. USBCDE 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.

Overall, about 20% of this year's allocatees and allocation went to CDEs led by persons of color.

"We're happy to see modest improvement in representation with this round of allocations," Vowell said. "We'll continue to look for ways we can personally partner with and support person of color-led CDEs in earning their own allocation."

USBCDE's intentional focus on racial equity supports [U.S. Bank Access Commitment](#), the company's 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. Bank

U.S. Bancorp, with approximately 70,000 employees and \$601 billion in assets as of September 30, 2022, is the parent company of U.S. Bank National Association. The Minneapolis-based company serves millions of customers locally, nationally and globally through a diversified mix of businesses: Consumer and Business Banking; Payment Services; Corporate & Commercial Banking; and Wealth Management and Investment Services. The company has been recognized for its approach to digital innovation, social responsibility, and customer service, including being named one of the 2022 World's Most Ethical Companies and Fortune's most admired superregional bank. Learn more at usbank.com/about.

View source version on [businesswire.com](https://www.businesswire.com/news/home/20221103006004/en/): <https://www.businesswire.com/news/home/20221103006004/en/>

Cassie Wagner, U.S. Bank Communications
Cassie.wagner@usbank.com

Source: U.S. Bank