



**MAYOR BOOKER ANNOUNCES BRICK CITY DEVELOPMENT CORPORATION (BCDC) HAS EARNED DESIGNATION FROM THE U.S. TREASURY DEPARTMENT AS A COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION (CDFI)**

*Since its formation in 2007, Brick City Development Corporation has provided over \$13 million dollars in loans and financial support to a variety of businesses and projects in Newark;*

*CDFI certification will expand BCDC's capacity to provide credit, capital, and financial services*

**Newark, NJ – January 4, 2012** – Mayor Cory A. Booker, Deputy Mayor for Economic and Housing Development and Brick City Development Corporation (BCDC) Chairman Adam Zipkin, and BCDC CEO Lyneir Richardson announced today that the City's economic catalyst engine Brick City Development Corporation (BCDC) has been certified by the U.S. Department of Treasury Community Development Financial Institutions Fund (CDFI Fund) as a Community Development Financial Institution (CDFI).

“This is an important designation that will allow BCDC to be even more impactful in fostering economic investment and business growth in Newark. The designation of BCDC as a CDFI will provide those organizations and businesses investing in Newark with greater access to capital, which is vital to business growth, reinvestment in our neighborhoods, and job creation,” said Mayor Booker.

Deputy Mayor Zipkin said, “What this designation really means is more capital and funding making its way into the hands of Newark small business owners. As a Community Development Financial Institution, BCDC will be able to lend more and foster Newark's next generation of homegrown entrepreneurs.”

The U.S. Department of Treasury Community Development Financial Institutions Fund is the only agency that administers the CDFI program. CDFIs invest in and build the capacity of community-based, private, for-profit and non-profit financial institutions with a primary mission of community development in economically distressed communities. These institutions – certified by the CDFI Fund as Community Development Financial Institutions or CDFIs – are able to respond to gaps in local markets that traditional financial institutions are not adequately serving. CDFIs provide critically needed capital, credit, and other financial products in addition to technical assistance to community residents and businesses, service providers, and developers working to meet community needs. In FY 2010 alone, Community Development Financial Institutions:

- Created or maintained 25,000 jobs
- Financed 5,200 businesses
- Opened 6,500 bank accounts for the previously unbanked
- Provided 177,000 individuals with financial literacy training

"The federal designation of BCDC as a CDFI challenges us to go to the next level as an economic development organization," said BCDC CEO Richardson. "This designation enhances our lending capacity. We will seek strategic partnerships with investment firms, large corporations, and banks to leverage these funds and make more business loans in Newark."

Mainstream banks, such as TD Bank, Bank of America, Chase, and Citibank, invest in CDFIs for relending and also receive CRA credits for their participation. One of the reasons that banks invest in CDFIs is that local lending teams often have better knowledge of local market economics and individual borrowers' capacity. Many notable CDFIs operate throughout the U.S. and have underwritten billions of dollars worth of investment in small businesses, housing development, and commercial redevelopment projects. CDFIs in communities such as Chicago, San Francisco, Miami, and Philadelphia have leveraged CDFI investments to help catalyze major reinvestment and economic growth in those cities.

"During the last two years, BCDC has focused on improving its lending policies and procedures, put a loan and investment committee in place, and brought more professionalism to our lending approach," said Richardson. Since its formation in 2007, Brick City Development Corporation has provided over \$13 million dollars in loans and financial support to a variety of businesses and projects in Newark. For example, BCDC has funded over \$3 million in the development of two new hotels, \$2 million for a new grocery store, \$2 million in neighborhood retail, and \$1.3 million for new restaurants in Newark's downtown. Minority owned businesses have received over 32% of BCDC loans.

Since its creation in 1994, the CDFI Fund has made more than \$1.4 billion in awards to CDFIs. Recipients of CDFI Fund awards have had a tangible impact in the low-income communities they serve. As of October, 2011, there were 964 certified CDFIs. For more information about the CDFI Fund and its programs, please visit the Fund's website at: <http://www.cdfifund.gov>.

For more information about any City of Newark program or policy, contact the Non-Emergency Call Center at **(973) 733-4311**.

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For more information on the City of Newark, please visit our website at [www.ci.newark.nj.us](http://www.ci.newark.nj.us)

### **About the City of Newark, New Jersey**

Newark, commonly referred to as Brick City, is the third oldest city in the United States and the largest in New Jersey, with a population of more than 280,000 people. Newark sits on one of the nation's largest transportation super-structures including an international airport, major commuter and freight rail lines, major highway intersections and the busiest seaport on the east coast.

With a new Administration as of July 2006, Newark continues to see signs of a strong revival. Its population showed growth in the most recent census. Its six major colleges and universities are further expanding their presence. The rate of production of affordable housing has doubled, and new businesses are moving in. There is still much work to be done but Newark is on its way to achieving its mission: to set a national standard for urban transformation.

### **About Brick City Development Corporation**

Brick City Development Corporation (BCDC) is the primary economic development catalyst for Newark, New Jersey, organized to retain, attract and grow businesses, enhance small and minority business capacity, and spur real estate development within the city.

BCDC initiates and executes economic development activities to produce and sustain economic growth, generate jobs and create wealth for the citizens of Newark. Our team serves as advocates within the City's municipal structure and provides a hands-on client management approach. For more information on Brick City Development Corporation, please visit our website at [www.bcdnewark.org](http://www.bcdnewark.org).

For more information on the City of Newark, please visit our website at [www.ci.newark.nj.us](http://www.ci.newark.nj.us)

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