LISC’s Healthy Futures Fund (“HFF”)

- A $100 million fund targeted to bridge the gap between low income housing residents and health care services nationwide.

- Collaboration between Local Initiatives Support Corporation (“LISC”), Morgan Stanley, and The Kresge Foundation.

- Financing Provided:
  - Low Income Housing Tax Credit (“LIHTC”) Equity for affordable housing that incorporate health programs for low-income residents.
  - New Market Tax Credit (“NMTC”) enhanced loan capital for new federally qualified health centers that improve healthcare access for affordable housing residents.
  - Predevelopment loans and grant resources for programs to link low-income residents to healthcare services.

- Fund Goals:
  - Expand Healthcare Access
  - Encourage Cross-Sector Collaboration
  - Provide New Capital for Health Centers
  - Promote Financing Efficiencies
Healthy Futures Fund Management

Local Initiatives Support Corporation (LISC)
Largest community development support organization in the country
30 Metropolitan Programs Offices and a National Rural Program

National Equity Fund, Inc. (NEF)
Largest Low Income Housing Tax Credit Syndicator
Manages LIHTC Equity of HFF

New Markets Support Company (NMSC)
Manages one of the largest New Markets Tax Credit portfolios
Manages FQHC Financing of HFF

Management Services Agreement
Healthy Futures Fund Capital

- **$50 million** in Low Income Housing Tax Credit equity for affordable housing developments incorporating health care programs and services.

- **$43 million** in New Markets Tax Credit enhanced loan financing for Federally Qualified Health Center “FQHC” development & expansion. This financing is made available with $15 million in LISC’s NMTC allocation and allocation provided by partner organizations:
  - National Development Council
  - NCB Capital Impact
  - Primary Care Development Corporation
  - Mercy Loan Fund
  - Community Health Center Capital Fund
  - Corporation For Supportive Housing
  - Opportunity Finance Network

- **$4 million** in predevelopment financing for health center and affordable housing projects

- **$800,000** in grants and **$2.2 million** in credit enhancements supporting Healthy Futures Fund projects
HFF FQHC Financing Terms

- New construction, rehabilitation, and leasehold improvement projects
- FQHC’s and FQHC-Look Alike Health Centers
- Located in a NMTC Eligible Census Tract and within LISC or partner CDE footprint
- $1.0 million to $10 million per project
- Up to 80% LTV w/ 1.20 DSCR
- 7-year loan, with first 30 months interest-only, then 19-year amortization w/balloon payment at the end of term
- Rate fixed at 7-year LIBOR swap + 200 to 250 basis points (currently estimated to be 4.3% to 4.8%)
- Approximately 21% of original loan cancelled upon successful third-party refinance of the remaining principal balance
- Other predevelopment financing available
- Grant funds of approximately $50,000 per project available
HFF LIHTC Equity Financing Parameters

- Rehab or new construction projects
- Focus on family housing projects, but senior housing also considered
- 9% and 4% LIHTC projects eligible
- Partnership with a local primary healthcare provider (Not Limited to FQHCs)
- Predevelopment loans available
- Grant funds of approximately $50,000 per project available
**Downtown Terrace (Petersburg, IN)**

**Project Type:** Gut Rehab/Adaptive Reuse and New Construction Senior Housing

**Lead Developer:** Flaherty & Collins

**Health Center Partner:** Good Samaritan Hospital

**Improved Healthcare Access:** On-site physicians clinic, urgent care center, and mental health service facility.

**Community Impacts:**
- 42 units of senior housing affordable between 30% and 60% AMI
- 5,000 SF urgent care and health services space providing the only extended hours clinic in the County
- 10-15,000 SF of commercial space to include an on-site regional pharmacy
- 40-50 patient visits served per day and 5,000 patients served annually on-site
- Environmental remediation

---

**Housing Sources**

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>IHCDA Funding</td>
<td>$600,000</td>
</tr>
<tr>
<td>Sponsor Loan</td>
<td>$470,000</td>
</tr>
<tr>
<td>Developer Fee</td>
<td>$257,000</td>
</tr>
<tr>
<td>General Partner Capital</td>
<td>$100</td>
</tr>
<tr>
<td><strong>Net HFF LIHTC Equity</strong></td>
<td>$6,410,000</td>
</tr>
<tr>
<td><strong>Total Housing Sources</strong></td>
<td>$7,737,100</td>
</tr>
</tbody>
</table>

**Health Center Financing**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$400,000</td>
</tr>
</tbody>
</table>

**Total Financing**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$8,137,100</td>
</tr>
</tbody>
</table>

**Total Project Costs**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$8,137,100</td>
</tr>
</tbody>
</table>
Rolling Hills Apartments (St. Paul, MN)

Project Type: Rehabilitation of Family Housing w/New Construction Community Space

LIHTC Developers: Lutheran Social Services and Richard Pakonen

Health Center Partner: West Side Community Health Services, Inc.

Improved Healthcare Access: On-site medical exam room and needs assessment to tailor medical and social services to immigrant population.

Community Impacts:
• 108 units of family housing affordable to incomes =<60% AMI
• 4,000 SF new community building to include multi-purpose room, short term emergency housing unit, and medical exam room
• Approximately 200 resident patients served annually on-site with medical services
• On-site social services provided by Lutheran Social Services
• Project incorporates MN Green and St. Paul Sustainability criteria

<table>
<thead>
<tr>
<th>Housing Sources</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midway Bank</td>
<td>$3,023,000</td>
</tr>
<tr>
<td>Subordinate Loans</td>
<td>$1,783,900</td>
</tr>
<tr>
<td>Developer Fee</td>
<td>$344,000</td>
</tr>
<tr>
<td>General Partner Capital</td>
<td>$100</td>
</tr>
<tr>
<td>Net LIHTC Equity</td>
<td>$9,479,000</td>
</tr>
<tr>
<td>Total Housing Sources</td>
<td>$14,630,000</td>
</tr>
<tr>
<td>LISC and HFF Grants</td>
<td>$90,000</td>
</tr>
<tr>
<td>Total Financing</td>
<td>$14,720,000</td>
</tr>
<tr>
<td>Total Project Costs</td>
<td>$14,720,000</td>
</tr>
</tbody>
</table>
Family Health Centers Omak Clinic (Rural Project-Omak, WA)

**Project Type:** Relocation and Expansion of Health Center/New Construction

**Sponsor FQHC:** Family Health Centers

**NMTC Allocatee:** National Development Council

**Improved Healthcare Access:** Expanded capacity to serve over 5,000 additional patients annually, transportation voucher program, survey/needs assessment to better serve immigrant population, and expanded marketing/outreach activities.

**Community Impacts:**
- 18,200 SF primary care medical clinic and 1,600 SF pharmacy
- Additional 5,200 patients and 16,100 patient visits served annually
- 26 construction & 24 new permanent jobs
- Transportation voucher program
- Tailored services to meet needs of immigrant population

**Capital Sources**

<table>
<thead>
<tr>
<th>Capital Sources</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>HFF Financing</td>
<td>$6,378,000</td>
</tr>
<tr>
<td>Subordinate LISC Loan</td>
<td>$911,000</td>
</tr>
<tr>
<td>Sponsor Equity</td>
<td>$1,943,000</td>
</tr>
<tr>
<td>Total Capital Sources</td>
<td>$9,232,000</td>
</tr>
</tbody>
</table>

| HFF Grants              | $30,000    |
| Total Financing         | $9,262,000 |

| Total Project Costs     | $9,262,000 |
For More Information

Health Center Financing/HFF  
Emily Chen  
Program Director  
LISC  
212-455-9882  
echen@lisc.org

NMTC Investments  
Robert Poznanski  
SVP & Chief Operating Officer  
New Markets Support Company  
269-459-4123  
rpoznanski@newmarkets.org

Jill Steen  
NMTC Underwriter  
New Markets Support Company  
312-697-6187  
jsteen@newmarkets.org

LIHTC Investments  
Michael Jacobs  
Senior Vice President of Acquisitions  
National Equity Fund  
312-697-6443  
mjacobs@nefinc.org