



## **NMTC READINESS PROGRAM**

### ***CALL FOR APPLICATIONS***

#### **BACKGROUND**

As a certified Community Development Financial Institution (CDFI) and Community Development Entity (CDE), Community Health Center Capital Fund (Capital Fund) provides loans and New Markets Tax Credit (NMTC) allocation for eligible community health centers nationally. To assist health centers in preparing for NMTC financings, Capital Fund is pleased to offer grants to a select number of centers to support technical assistance provided by Capital Fund's affiliate, Capital Link.

To date, Capital Link has assisted health centers with structuring and closing NMTC transactions in excess of \$614 million—more than half of all NMTC financing raised to support FQHC projects. In our experience, all borrowers (no matter how sophisticated or inexperienced) need assistance in navigating the highly complex process of obtaining, structuring and closing NMTC financings for their projects.

Supporting the cost of this technical assistance has multiple benefits:

- Health centers benefit through accessing high-quality consulting expertise at reduced cost, increasing the likelihood that their projects will be well-planned, ready and properly aligned with available tax credit resources, when they are awarded;
- Capital Fund benefits through developing a strong pipeline of viable health center projects that can quickly move toward closing, when and if tax credits are awarded—allowing Capital Fund to meet its mission, while positioning us to complete effectively in future allocation award cycles;
- Communities benefit through the investment of tax credit resources, allowing health centers to expand access to care, increase services offered and increase short- and long-term employment opportunities in low-income communities.

Through the current grant cycle, Capital Fund expects to award grants between \$20,000 and \$50,000 each for up to seven health centers. Capital Fund intends to apply for an allocation of NMTC in the 2018 application cycle. Grantees will receive priority preference for Capital Fund credits, if awarded (awards expected in Q1 2019). If Capital Fund does not receive an award of tax credits, or if the allocation is insufficient to meet the needs of the selected projects, Capital Link will work with the health center awardees to obtain credits from other CDEs.

#### **USES OF GRANT FUNDS**

The grant funds must be used to support the cost of Engagement Agreements with Capital Link to prepare materials for NMTC financing. Engagement Agreements will be tailored to individual health center needs, but would typically include the following services:

- A transaction summary, detailing the proposed project and its expected community benefits;
- A full business plan and 7-year financial projections;
- NMTC structuring, including securing leverage debt (if needed);
- Assistance with loan closing.

Grant funds awarded will typically cover 25% - 50% of the total cost of a typical engagement agreement.

## ELIGIBLE APPLICANTS AND PROJECTS

Any U.S.-based Federally Qualified Health Center (Section 330-funded grantee or Look-Alike) is eligible to apply. Successful applicants will have projects that meet the following criteria:

- Projects that will be ready for NMTC financing between 2<sup>nd</sup> quarter 2019 and calendar year end 2020;
- Total project costs greater than or equal to \$5 million;
- Site identified, with address indicating eligibility for NMTC financing (qualification as “more highly distressed” and site control preferred);
- Project will have significant community benefits, such as expanded patient capacity, new services, jobs (especially for community residents), connection with other community economic development projects, etc.;
- Health center is not currently working with another NMTC consultant and is willing to enter into an engagement agreement with Capital Link to complete project readiness activities (toward which the grant would be made available);
- Successful applicants will be required to sign an Engagement Agreement with Capital Link and work diligently to complete project planning activities in alignment with the expected NMTC award cycle.

## APPLICATION TIMELINE

This call for applications will remain open between May 8 and May 30, 2018. Complete applications are due no later than close of business, 5 p.m. Eastern Time, Wednesday, May 30, 2018. Final awardees will be notified on or around June 8, 2018.

Please submit applications materials to: [NMTCreadiness@chc-capitalfund.org](mailto:NMTCreadiness@chc-capitalfund.org).

## GENERAL INFORMATION

<b>Project Name:</b>	
<b>Date Submitted:</b>	
<b>Person Completing Form:</b>	

**Contact for Follow Up Information:**

<b>Name:</b>	
<b>Telephone Number:</b>	
<b>Email Address:</b>	

## FQHC INFORMATION

<b>Health Center Name:</b>	
<b>Main Address:</b>	

FQHC Status	Yes	No
<b>Section 330 FQHC</b>		
<b>FQHC Look-Alike</b>		
<b>Other (Specify):</b>		

## PROJECT LOCATION

<b>Street:</b>	
<b>City:</b>	
<b>State:</b>	
<b>Zip Code:</b>	
<b>Census Tract*:</b>	

*\* The Census Tract Code is needed if a complete street address is not available. Census Tract Codes need to be represented as an 11-digit census tract number which includes the state and county FIPS codes. The 11-digit census tract number begins with the first two characters for the state FIPS code, followed by three characters for the county FIPS code, then six characters for the tract number as shown in the following example: Census Tract '12345678901' = '12' State FIPS Code, '345' County FIPS Code, '678901' Tract Code). The state and county FIPS codes can be found at the following website: <http://www.census.gov/geo/www/ansi/countylookup.html>*

## PROJECT DESCRIPTION

*Please provide a general description of the project in the space below. To the extent available, include information such as project type (new construction, renovation, expansion of existing site, new site, etc.); square footage; status of site control; overall project budget and size of financing need; expected benefits such as # of new patients served, new services available, operating efficiencies, opportunities for collaboration with other community partners, intersection with local economic development efforts, etc.; and expected timeframe for the project. You may supplement this information by attaching additional materials, but it is not necessary for you to do so.*

## STATUS OF PLANNING ACTIVITIES

Please indicate the current status of your planning activities.

<b>Activity</b>	<b>Completed? (Yes/No/N/A)</b>	<b>Actual or Expected Completion Date</b>	<b>Comments</b>
Site selection			
Site control			
Architect hired			
Space planning			
Preliminary design			
Architectural plans ready for bid			
Detailed project budget			
Business plan			
Financial projections			
Capital campaign			
Lender selected			
Permits and approvals			
Project Manager hired			
Construction start			

## CERTIFICATION

Are you currently working with an NMTC consultant? Yes  No

The Applicant is interested in entering into an Engagement Agreement with Capital Link for NMTC consulting services, toward which this grant will be applied, if awarded. Yes  No

## REQUIRED ATTACHMENTS

Please include the following documents with your application:

- Most recent three years of audited financial statements.
- Most recent three years of UDS reports.

## ABOUT CAPITAL FUND AND CAPITAL LINK

**Community Health Center Capital Fund (Capital Fund)** supports the growth and development of community-based health centers serving low-income and uninsured populations by providing capital structured to meet health centers' needs.

As a certified Community Development Financial Institution (CDFI) and Community Development Entity (CDE), Capital Fund manages several health center New Markets Tax Credit loan programs and provides targeted direct loans to health centers to assist them in leveraging multiple sources of financing for their capital projects. One of Capital Link's founding partners, Capital Fund now serves as its lending affiliate. For more information, please visit [www.chc-capitalfund.org](http://www.chc-capitalfund.org).

**Capital Link** is the premier national technical assistance provider for community health center capital planning and financing needs. As a HRSA National Cooperative Agreement partner, Capital Link has worked with more than 2/3rds of all health centers nationally, assisting them in planning and financing capital projects totaling almost \$1.4 billion. Capital Link also maintains the largest database of financial and operating information on the health center sector, providing data for benchmarking and performance improvement purposes. Capital Link provides innovative consulting services and extensive technical assistance with the goal of supporting and expanding community-based health care. For more information, please visit [www.caplink.org](http://www.caplink.org).