NEW MARKETS TAX CREDIT FINANCING PAVES THE WAY FOR A NEW MEDICAL CENTER IN HILLTOP

TACOMA, Wash. (Oct. 11, 2012) -- Community Health Care, a Federally Qualified Health Center serving residents of Pierce County, Washington, has begun construction of a new $26 million health center in the inner-city Hilltop neighborhood in Tacoma. The development is being financed with more than $6.9 million of New Markets Tax Credit (NMTC) equity raised in partnership with U.S. Bank, The National Development Council (NDC), and the Low Income Investment Fund (LIIF).

The new Hilltop Regional Health Center will take the place of the small clinic that Community Health Care has maintained on the Hilltop for over 35 years. It will include medical and dental clinics, urgent care, radiology, pediatrics, internal medicine and obstetrics. A total of 17,200 patients will be served at the clinic annually, 600% percent more than at the existing clinic.

“In a time of economic uncertainty, this innovative source of funding was a real boon to making sure our important health care facility would happen,” said David Flentge, President and CEO of Community Health Care. “Without NMTCs, raising the financing necessary for our new center at Martin Luther King Jr. Way and Earnest S. Brazill would have been difficult, to say the least.”

“The need for NMTC financing is greater than ever during a slow economy, as funding gaps get larger and other sources of capital disappear,” said Matt Philpott, Director of New Markets, Historic and Renewable Energy Tax Credit Investments for U.S. Bancorp Community Development Corporation (USBCDC), the tax credit investment subsidiary of U.S. Bank. “By utilizing the NMTC Program and leveraging its available resources, Community Health Care has access to critically needed capital and can focus more of its efforts on providing the highest quality health care to those in need.”

Through the NMTC Program, Community Health Care was able to raise over $21 million of its $26 million capital goal. Financing includes an allocation of tax credits and more than $6.9 million of NMTC equity from USBCDC in partnership with NDC and LIIF; a $12 million grant from the Human Resources Service Administration (HRSA); an $1.5 million grant from the state of Washington; an $800,000 loan from the City of Tacoma through NDC’s Grow America Fund; and $1.8 million of capital campaign funds raised to date by the project sponsor.
“Our commitment to Tacoma is over 30 years old and going strong,” said Robert W. Davenport, President of NDC. “The Hilltop neighborhood is one of the most densely populated – and medically underserved – communities in the area. We’re proud to partner with U.S. Bank, LIIF, and the City of Tacoma to increase residents’ access to primary care providers and support the development of a regional service clinic.”

Jim Walton, one of the Co-Chairs of Community Health Care’s capital campaign, is quick to let people know that with $5 million left to go, there are still opportunities to help underwrite this significant project. In addition to an allocation of NMTCs, LIIF is providing bridge financing to Community Health Center through a partnership with Philadelphia-based The Reinvestment Fund and the Kresge Foundation as additional donations are secured.

“Community Health Care’s Hilltop Regional Health Center will bring much needed medical services, capital investment and jobs to the Hilltop community. This project is exactly the kind of investment the Low Income Investment Fund seeks to further our mission of creating opportunity for low income families and neighborhoods,” said Kimberly Latimer-Nelligan, Chief Operating Officer of LIIF. “The organization is helping meet the needs of the uninsured, isolated and medically vulnerable in Pierce County, and we’re committed to ensuring it can continue to serve as an important community asset for years to come.”

The new clinic will be a three-story, 54,735 square foot building with an adjacent three story parking facility. The architects for this project are Johnson Architecture and Planning and the general contractor is Abbott Construction. Construction started October 1, 2012 and is expected to be completed by October 2013.

About Community Health Care
Community Health Care first started providing care in the Hilltop neighborhood in 1969 in the basement of the nurse’s convent at St. Joseph’s Hospital. From there it moved to a rented facility in 1980 and purchased the current facility in 1997. In 2011 the Downtown Clinic served 2,821 patients through 10,036 patient visits. Community Health Care is a Federally Qualified Health Center that serves Pierce County through five medical clinics and two dental clinics. At Community Health Care no one is denied care due to inability to pay. People without insurance are treated on a sliding-fee-scale based on income and family size. Community Health Care, in 2011, served 31,719 patients through 121,076 patient visits. Of those served, eighteen percent were uninsured.

About Low Income Investment Fund
The Low Income Investment Fund (LIIF) invests capital to support healthy families and communities. Since 1984, LIIF has served one million people by investing $1 billion. Over its history, LIIF has provided financing and technical assistance to create and preserve affordable housing, child care centers, schools, transit-oriented developments and healthy food retail in distressed neighborhoods nationwide. LIIF’s work has generated $20 billion in family income and societal benefits. LIIF has offices in San Francisco, Los Angeles, New York City and Washington, D.C. For more information about LIIF, visit www.liifund.org.

About National Development Council
The National Development Council (NDC) is the oldest national non-profit community and economic development organization in the U.S. It was founded in 1969 with one purpose: increasing the flow of capital for investment, jobs and community development to under served urban and rural areas across the country. Since that time, NDC has worked with thousands of communities in every one of the 50 states and Puerto Rico, providing technical assistance, professional training, investment in affordable housing, small business financing and direct developer services. NDC has been using New Markets Tax Credits (NMTC) to support economic and community development since the program’s inception. NDC not only provides tax credit
equity to our client communities, but also assists communities in structuring their NMTC deals, finding the necessary additional financing, and developing relationships with other organizations that receive allocations of the tax credits. To date NDC has invested over $587.6 million in 71 projects generating over $1 billion in total investment. www.nationaldevelopmentcouncil.org

About the New Markets Tax Credit Program
The New Markets Tax Credit (NMTC) Program was established by Congress in 2000 to encourage the investment of private capital in designated low-income communities in order to create jobs, generate economic activity and improve the quality of services in low-income communities and to low-income persons. The NMTC Program attracts investment capital to low-income communities by permitting individual and corporate investors to receive a tax credit against their federal income tax return in exchange for making qualified equity investments in specialized financial institutions called Community Development Entities (CDEs). Capital raised by the CDEs is then used to provide below-market financing to qualified businesses in low-income communities. The credit totals 39 percent of the original investment amount and is claimed over a period of seven years. For more information, visit www.cdfifund.gov.

About U.S. Bancorp Community Development Corporation
With more than $9.8 billion in assets, U.S. Bancorp Community Development Corporation, a subsidiary of U.S. Bank, provides innovative financing solutions for community development projects across the country using state and federally sponsored tax credit programs. USBCDC’s commitments provide capital investment to areas that need it the most and have contributed to the creation of new jobs, the rehabilitation of historic buildings, the construction of needed affordable and market-rate homes, the development of renewable energy facilities, and the generation of commercial economic activity in underserved communities. Visit USBCDC on the web at www.usbank.com/cdc.

About U.S. Bank
U.S. Bancorp (NYSE: USB), with $353 billion in assets as of June 30, 2012, is the parent company of U.S. Bank, the fifth-largest commercial bank in the United States. The company operates 3,080 banking offices in 25 states and 5,085 ATMs and provides a comprehensive line of banking, brokerage, insurance, investment, mortgage, trust and payment services products to consumers, businesses and institutions. U.S. Bancorp and its employees are dedicated to improving the communities they serve, for which the company earned the 2011 Spirit of America Award, the highest honor bestowed on a company by United Way. Visit U.S. Bancorp on the web at www.usbank.com.

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