**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION**

**NEW MARKETS TAX CREDIT PROGRAM**

**PROJECT INTAKE FORM**

California Statewide Communities Development Corporation (CSCDC) is a non-profit organization and certified Community Development Entity dedicated to providing capital to underserved low-income communities throughout the state of California through the federal New Markets Tax Credit (NMTC) program. The NMTC program, authorized by Congress in 2000, encourages investments in low-income communities by providing a tax incentive for community development lenders and the capital markets to invest in communities that historically have had poor access to capital. CSCDC was awarded a $35 million NMTC allocation in 2013, $38 million in 2014, and $70 million in 2016.

CSCDC is an affiliate of the California Statewide Communities Development Authority (CSCDA), a joint powers authority conduit bond issuer created in 1988 by the League of California Cities and the California State Association of Counties. CSCDA is comprised of over 500 cities, counties and special districts throughout California.  Its mission is to provide local governments and private entities access to low-cost, tax-exempt financing for projects that provide a tangible public benefit, contribute to social and economic growth and improve the overall quality of life in California communities.

The purpose of this form is to help CSCDC determine whether your project is an eligible candidate for CSCDC NMTC financing. Please provide as much information as possible. If a particular question is not applicable to your project, please note that it is “N/A”.

**Completed forms may be sent to:**

**Jon Penkower**

[**jpenkower@cscda.org**](mailto:jpenkower@cscdcnewmarkets.org)

**(925) 476-5887**

***NOTE: Submission of the requested information is solely for the purpose of determining a project’s potential eligibility for CSCDC’s NMTC program, and not a commitment to provide financing.***

**PROJECT SUMMARY**

* **Project Name: LifeLong Medical Care, William Jenkins Health Center**
* **Project Type: New construction**
* **Allocation Request:**
* **Briefly Description of Project Sponsor:**
* LifeLong began in 1976 when local senior advocates (the Gray Panthers) established the Over 60 Health Center in Berkeley, California. Our name became LifeLong Medical Care in 1996, and since then LifeLong has become a multi-site, federally qualified health center delivering comprehensive medical, dental, and behavioral health services to low-income people of all ages. Our mission is to provide high-quality health and social services to underserved people of all ages; create models of care for the elderly, people with disabilities, and families; and advocate for continuous improvements in the health of our communities. In 2016, LifeLong served 60,000 patients in Alameda, Contra Costa and Marin Counties.
* **Brief Description of Project:**
* LifeLong will construct a new building adjacent to the existing LifeLong Richmond Harbour Way facility, which will be demolished when construction is complete. The facility design promotes integration of primary and preventive health services in a setting that is welcoming to families and individuals of all ages, and is responsive to the diverse needs of the target population. The new building will create 2 integrated primary care/behavioral health pods (20 treatment rooms), a dental pod including 6 operatories, and a same day care pod (8 treatment rooms), plus on-site radiology, lab and pharmacy, increasing LifeLong’s capacity to respond to patients’ medical, oral health, preventive and psychosocial needs while maintaining the feel of a smaller more “intimate” setting in which patients can become familiar with the team of staff and providers. The new facility will serve 19,700 medical/behavioral health/urgent care patients. New dental services will provide access to 5,400 patients.

**PROJECT LOCATION**

* **Address: 150 Harbour Way, Richmond, CA 94801**
* **County: Contra Costa**
* **Census Tract (if available): 06013379000**
* **Is the project located in any of the following areas? Check all that apply, if known:**

|  |  |
| --- | --- |
|  | **Yes / No / Unknown** |
| Brownfield redevelopment area | **Unknown** |
| SBA Designated HUB Zone | **Unknown** |
| HOPE VI redevelopment area | **Unknown** |
| Federal Native Area | No |
| HUD-designated Colonias area | **Unknown** |
| Federal Medically Underserved Area | Yes |
| State-designated economic development area | **Unknown** |
| Locally-designated economic development area | **Unknown** |
| FEMA Disaster Area | **Unknown** |
| Trade Adjustment Assistance Area | **Unknown** |
| USDA-designated Food Desert | **Unknown** |
| Historic District | No |

**PROJECT FINANCING**

**Total Project Cost:** $23,537,195

* + **Total acquisitions costs:** $ 0
  + **Total soft costs with NMTC closing costs/fees broken out (if known):** 
    - **Soft costs** $ 3,109,479 – includes 5% contingency
    - FF&E 1,837,246
    - Transaction costs 1,197,954
    - Reserves 1,492,344

**Total hard costs and hard cost contingencies:** $ 15,675,000 includes a 10% contingency

* **Total Project Size (sq. ft.), if applicable: 30,000 SF**
  + **If the project is mixed-use, provide a breakdown of the square footage:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **FUNDING SOURCES** | | | | |
| Lender/Investor/Other | Type\* | Amount | Status\*\* | Est. Closing Date |
| Equity from Borrower, net (includes grants received) | Equity | 8,814,963 | Committed |  |
| Leverage Loan | Debt | 7,401,869 | Term Sheet forthcoming from Capital Impact |  |
| Equity Investor, US Bank | Debt | 6,826,485 | Reservation letter signed |  |
|  |  |  |  |  |

\*Type: Equity, Debt, Grant, Tax Credits, Other (Describe)

\*\*Status: Funded, Committed, Term Sheet (please attach), Pending, Expected, Approvals needed, Other (Describe).

$7.4 million leverage loan: CIP has provided LifeLong with a term sheet for the leverage loan and would consider participating some of the leverage loan to a CDFI partner.

 NMTC Allocation: CIP anticipates using $8 to $12 million of its to-be-announced Round 12 Allocation on the project. CIP is looking for one to two other CDEs to contribute NMTC allocation towards the project. The total allocation needed is currently estimated to be $23 million.

 $8.8 million of Borrower equity: LifeLong is expected to have spent $1.6 million on predevelopment expenses, received $4.2 million of grants before closing, receive $1.0 million of grants during construction, and contribute an additional $2.0 million of organizational funds at closing. LifeLong will increase the size of its sponsor leverage loan by $1.6 million to recognize the predevelopment expenses and will be immediately reimbursed one day later.

* **Do the lenders/investors identified above have experience with leverage lending/NMTC transactions? Please describe.**

**CIP participated in NMTC at WB**

**UB Bank is a leader in the NMTC industry and has worked with CIP extensively.**

**PROJECT STATUS**

* **Expected closing date for NMTC transaction: 9/1/17**
* **Describe any specific factors that might affect the timing of the closing: City of Richmond review process is on track, but is always an unknown.**
* **Status of site control: Ownership.**
* **Status of design drawings, guaranteed maximum price contract, and entitlements: The Design Review Board approved the exterior design and approval from the Planning Commission is expected on 2/16. DD is in process, with completion scheduled for 3/3. See attached schedule.**
* **If construction is in progress, how much will be spent by the projected closing date? N/A**
* **Indicate if any of the customary due diligence items will not be available prior to closing (e.g., construction contract, plans and specifications, building permits, or third-party reports including plan and cost review, phase I environmental report, appraisal, etc All items will be available.**

**JOB CREATION AND QUALITY OF JOBS**

* **Job Creation (FTE = 35 hours/week)**
  + **Construction period FTE jobs created: 120 Full time construction jobs**
    - **% expected to be held by low-income persons or residents of the low-income community: 50%**
    - **Permanent FTE jobs created: 20**
    - **% expected to be held by low-income persons or residents of the low-income community: 50%**
  + **Permanent FTE jobs retained: 35**
    - **% held by low-income persons or residents of the low-income community: 50%**
* The clinic site will have 75 full-time permanent positions, though a majority of these will be transfers from other LifeLong facilities.
  + **Describe how the job numbers were determined: Construction jobs from GC; other from pro forma**
* **Quality of Jobs**
  + **Estimated average hourly wage/salary range of permanent FTE jobs: $30/hour**
  + **What benefits will be offered to permanent FTE employees?**

|  |  |
| --- | --- |
| **Benefits** | **Yes / No** |
| Health Insurance | Yes |
| Retirement Benefits | Yes |
| Profit Sharing | No |
| Employee Stock Ownership | No |
| Other (Describe): |  |

**For each item marked “Yes” above, please describe: LifeLong offers medical, dental and vision insurance. Employee contribution is based on wages, e.g. lower wage employees premium is less than higher wage employees.**

**LifeLong offers at 403(b) retirement plan with an annual contribution determined by the Board of Directors at the end of theyear.**

**Describe if and how permanent jobs will provide opportunities for training and advancement:** All LifeLong employees receive regular training at monthly staff meetings. In addition, they are eligible for tuition reimbursement for courses approved by their supervisor. We also encourage staff to take advantage of webinars and other free trainings available on line.

* **Jobs for Low-Income Persons**
  + **How will project jobs be accessible to low-income persons or residents of the low-income community? Describe any specific outreach or recruiting plans.** LifeLong recruits through established on line channels, such as Craig’s List and Opportunity Knocks, as well as at local job fairs.

**GOODS OR SERVICES FOR LOW-INCOME COMMUNITIES**

* **Which of the following commercial or community goods or services will be provided to low-income persons and/or low-income communities as a result of your project?**

|  |  |  |  |
| --- | --- | --- | --- |
| **Goods or Services** | **Yes / No** | **Existing Beneficiaries** | **Additional**  **Beneficiaries** |
| Health care | Y |  |  |
| Education (elementary, high school, college, continuing education) | N |  |  |
| Childcare | N |  |  |
| Social services | Y |  |  |
| Job/Vocational Training | N |  |  |
| Access to commercial services  (retail, restaurants, pharmacies, etc.) | N |  |  |
| Increased access to Healthy Foods | N |  |  |
| Below market rents | N |  |  |
| Arts or cultural opportunities | N |  |  |
| Other (Describe): |  |  |  |

* **For each item checked “Yes” above, provide a description of these goods or services, how they will benefit low-income persons or low-income communities, and the number of expected new beneficiaries (with an estimated breakout of those that are low-income, if known).**

LifeLong provides medical, dental, behavioral health and social services to low income residents.. We accept MediCal insurance and also offer a sliding scale. 90% of patients are low income.

**OTHER COMMUNITY BENEFITS**

* **Is there a housing component to your project? No**
  + **If yes, expected number of residential units:**
  + **Rental or for-sale units?**
  + **Will at least 20% of units be affordable to households earning less than 80% of AMI?**
* **Are minority-owned or minority-controlled businesses involved in your project? If yes, please identify roles (i.e., sponsor, developer, contractor, subcontractor, tenant): No**
* **Does the project provide space for locally-owned, minority-owned or women-owned businesses or nonprofit tenants? Is there an explicit set-aside for such tenants? Will flexible lease rates be available for these tenants? No**
* **Will your project result in environmental benefits (remediation of contamination, LEED certification, production of renewable energy, elimination of designated Brownfield, etc.)? If so, describe: solar panels on the roof**
* **Is the project expected to catalyze additional private investment beyond this project in the surrounding area? If yes, describe investments and approximate amount.No**
* **Describe any other noteworthy community benefits: Given the recent hospital closure in this area, this new clinic is critically important to health access for community residents.**

**COMMUNITY INVOLVEMENT**

* **Describe how the sponsor determined that the project aligns with Low-Income Community priorities and verified the need and/or desire for the project.** This project has support of local agencies serving the low income population as well as support from local health care organizations. An extensive needs assessment was conducted, including community input and data analysis.
* **Is the project part of a larger neighborhood plan, revitalization effort, or community needs assessment? If yes, list any applicable plans or community efforts. N/A**
* **Does the project have the demonstrated support of community stakeholders? If yes, identify community supporters, and attach letters/statements of support, if available.**

**$5M in funding received from local hospitals/health plans + State.**

* **Does the project capitalize on local or regional assets (such as physical assets, industrial skill base, or other natural resources unique to the area)? Please describe. No**
* **What specific local or regional priorities or community needs does the project seek to address? Lack of health care access**
  + **How have these community priorities or needs been documented?** 
    - Anecdotal evidence;
    - high utilization of emergency room for non-emergency services
    - Review of health care utilization in the community
    - Review of health status indicators

**NEED FOR NMTCS**

**Why is a NMTC subsidy essential for this project’s success?** LifeLong requires financing to develop the Jenkins project in Richmond.  While LifeLong has a robust fund development capacity, we recently completed a large capital campaign for our West Berkeley project.  It would be impossible to do another capital campaign so soon after the last one without risking 1) donor fatigue; 2) a substantial decrease in general support fundraising; and 3) the inability to reach the needed capital campaign goal.  Further, we can’t use our reserves because we need them for operations, particularly during this time of uncertainty regarding MediCal revenues.  We have received $5M in state, federal and foundation grants for the project, but the gap needs to be filled by financing.

**Describe the expected status of the project if the requested NMTC allocation is not obtained.** If NMTC financing in particular were not available, LifeLong would seek commercial or tax exempt financing.   Commercial financing interest rates would be higher, and would result in greater debt service, especially since we would be paying principal and interest (as opposed to NMTC interest-only plan).  Financing the project commercially would result in more “hard debt” and costs would be higher taking into account the NMTC benefit of “debt forgiveness” after 7 years.  Finally, a commercial loan would carry greater interest rate risk and a shorter maturity.  All of these added costs would result in the need to develop programs more slowly and in some cases to cut back on needed services.

* **Describe the process for determining the specific requested amount of total NMTC allocation. Based on the cost of the building. This amount = 100% of project.**

* **Describe whether additional allocation has been secured or is being solicited from third-party CDEs and indicate the amounts.**
* **Describe whether other private financing, public financing or other capital was sought and rejected as a substitute for NMTC financing.**

While tax exempt financing would have lower interest rates and less interest rate risk than NMTC or commercial, there would be no loan forgiveness, and no ability to leverage our own cash.  Consequently the total benefit to LifeLong would be less and would also require LifeLong to implement services more slowly.

**SPONSOR TEAM INFORMATION**

* **Project Sponsor**
  + **Contact Name: Nance Rosencranz**
  + **Company: LifeLong Medical Care**
  + **Website: lifelongmedical.org**
  + **Address: POB 10247, Berkeley 94712**
  + **Phone: 510.981.4137**
  + **Email:** [**nrosencranz@lifelongmedical.org**](mailto:nrosencranz@lifelongmedical.org)
  + **Type of Organization: non-profit community health center**
  + **Briefly describe sponsor’s real estate development experience: 2 major construction projects completed in last 5 years.**
  + **Attach CVs or profiles of the key development staff.**
  + **If not available on the website, please attach information regarding the organization, its history, key staff, and mission.**
* **NMTC Consultant (if applicable)**
  + **Contact Name: Andra Lichtenstein**
  + **Company:  Capital Incubator**
  + **Address:  1614 Posen Avenue, Berkeley, CA 94707**
  + **Phone:  510-526-2852**
  + **Email:**[**andra@capitalincubator.org**](mailto:andra@capitalincubator.org)
  + **Website:**[**http://www.capitalincubator.org**](http://www.capitalincubator.org)**/**
  + **Attach a CV or profile of the consultant, including a summary of NMTC track record and deals closed.**
* **NMTC Counsel (if engaged)**
  + **Contact Name: Julie Treppa**
  + **Company:** **Coblentz Patch Duffy & Bass LLP**
  + **Address:**
  + **Phone:** (415) 772-5765.
  + **Email:** JATcpdb.com)
* **Contractor (if applicable and identified)**
  + **Contact Name: Steve Oliver**
  + **Company: Oliver & Co.**
  + **Website:** **http://www.oliverandco.net/**
  + **Attach a CV or profile of the contractor and its track record of similar projects completed.**
* **Owner’s Representative (if applicable)**
  + **Contact Name: Gilbert Chan**
  + **Company: self**
  + **Address:** **1 Borica Street**
  + **San Francisco, CA 94127**
  + **Phone: 415.309.9782**
  + **Email:** **gilchan8@gmail.com**
  + **Website: none**
  + **Attach a CV or profile of the owner’s representative and its track record of similar projects completed.**

|  |  |
| --- | --- |
| Job Creation/Retention: | The number of direct jobs that will be created and/or retained can be accurately quantified by Project Affiliates (as defined below). |
| Quality Jobs: | At least 100% of all temporary and permanent jobs provide living wages and/or employment benefits. |
| Accessible Jobs: | At least 50% of all temporary jobs and 50% of all permanent jobs will be accessible to, and ultimately filled by, Targeted Job Seekers (as defined below). |
| Commercial Good or Services: | The number of residents of Low-Income Communities or Low-Income Persons expected to be served can be accurately quantified by Project Affiliates. |
| Healthy Food Financing: | The number of residents of Low-Income Communities or Low-Income Persons expected to be served can be accurately quantified by Project Affiliates. |
| Minority Representation: | (1) Contracts are targeted to Minority (as defined below) businesses, (2) temporary jobs are targeted to Minority persons, (3) permanent jobs are targeted to Minority persons, and/or (4) customers or clients are expected to be Minority persons. |
| Flexible Lease Rates: | Space is provided to locally-owned businesses, Minority-owned businesses, Minority-controlled businesses and/or nonprofit businesses at lease rates that are at least 15-20% below market as evidenced by an appraisal or similar market report. |
| Housing Units: | The housing component involves a minimum set-aside of 40% of units that are affordable to persons with incomes less than 80% of AMI. |
| Community Good or Services: | The number of residents of Low-Income Communities or Low-Income Persons expected to be served can be accurately quantified by Project Affiliates. |
| Environmentally Sustainable Outcomes: | Demonstrate a high level of environmentally sustainable outcomes that can be accurately quantified. |
| Community Accountability and Involvement: | Demonstrate a high level of community involvement. |
| Catalytic: | Attract and quantify additional private investment in highly distressed areas surrounding the project. |