

# Healthy Communities for a Healthy Future

## Presentation

**March 23, 2016**

# What is a CDFI ?

- The Community Development Financial Institutions (CDFI) Fund was established by the Riegle Community Development and Regulatory Improvement Act of 1994 to promote economic revitalization in low-income communities.
- Provide community development loans and banking services, financial literacy programs, and alternatives to predatory lending
- To create jobs, promote economic development and affordable housing
- Must be accountable to low-income communities

# Clearinghouse CDFI History

- Incorporated January 1996
- Spin-off of AHC a non-profit 501 C(3)
- For-Profit - owned by our shareholders
- Mission-based licensed lender in California/Nevada/Arizona/New Mexico
- Impact and community benefit is most important

# Relationship

- Looking for increased relationships with cities/ agencies with community or economic development opportunities
- We love projects with city/county resources or city support
- Form public/private partnerships to finance projects benefiting low income communities

# Three Main Lending Areas:

- Affordable Housing
- Community Facilities/Health Related Projects
- Economic Development / Small Business  
(Real Estate secured)

# Clearinghouse CDFI Programs

- Core lending program (multi-family affordable housing, community facilities, non-profit borrowers, small business) \$100,000 -\$5 million
  - Bank Investors
  - Federal Home Loan Bank
  - CDFI Fund Bond Guarantee Program
- New Markets Tax Credits \$5 million- \$30 million
  - Deployed \$473 million in NMTC's
  - Application Pending for Additional Allocation (Summer 2016)

# Loan Characteristics Core Lending

- Real estate secured  
 $< 80\%$  LTV (70% LTV is standard)
- DCR of  $>1.10$
- Community Impact / Non profits,  
low /moderate income benefit (CRA eligible)

# Health Facilities Boulder Hospital



# Non-Profit Dental Services ~ Healthy Smiles



# Acute Care Facilities Totally Kids



# Monarch School K-12 School for Homeless



# New Markets Tax Credit

- Provides incentives for projects located in low income census tracts
- Reduced interest rate or facilitate forgivable debt
- Benefit is equal to approximately 25% of total project costs for Federal NMTC's

# Qualified Low-Income Community Development Investments (QLICIs)

## **ELIGILE:**

- Commercial Businesses, Offices
- Retail Stores, Manufacturing, Industrial
- Community Centers, For-sale Housing

## **NOT ELIGILE:**

- Residential Rental Housing, Golf Courses,
- Gaming facilities, Race Tracks,
- Liquor Stores, Some Farming Businesses

# Northern Nevada HOPES



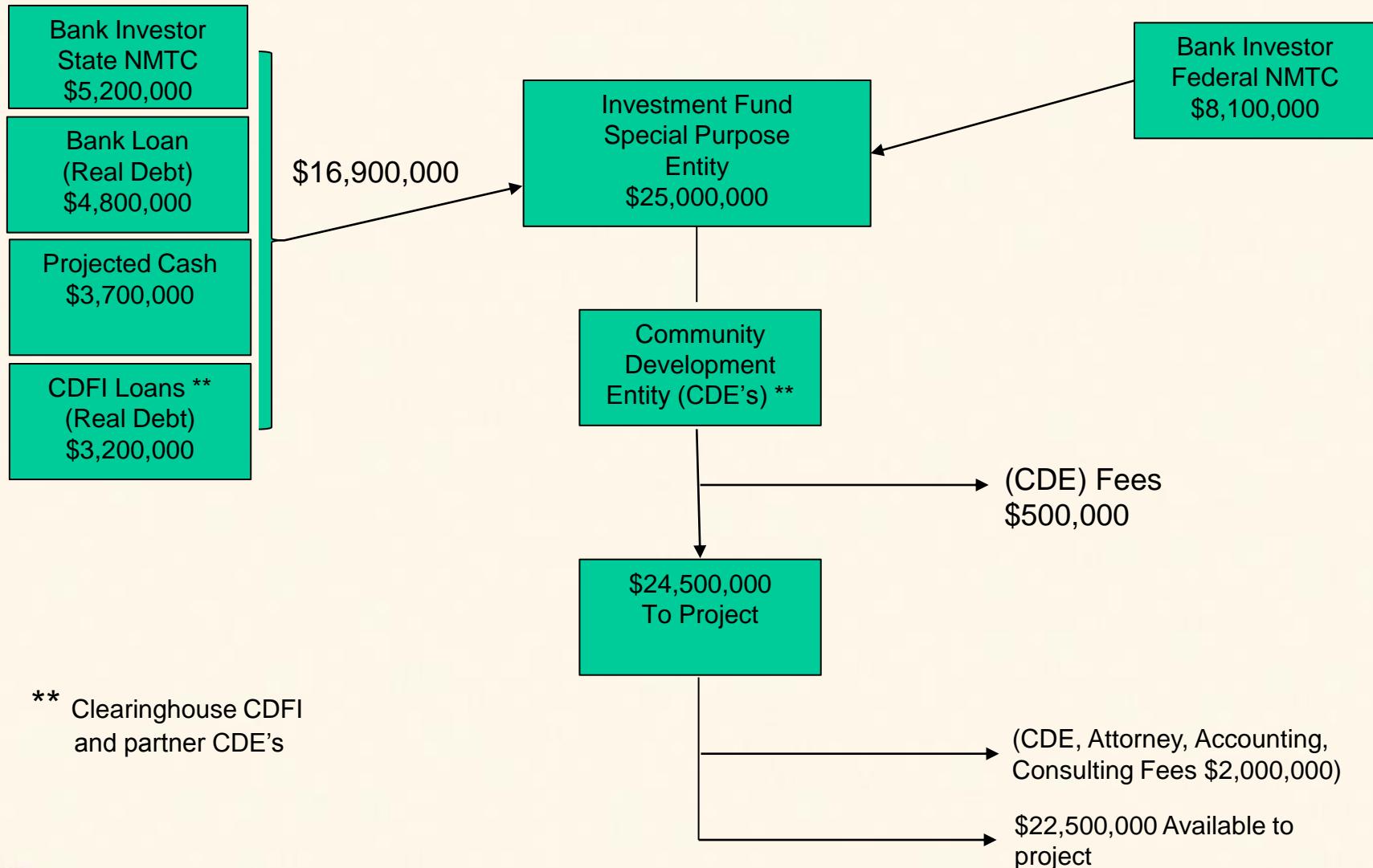
**New Markets Tax Credit  
\$25,000,000**

# How Do NMTC's Work?

## Northern Nevada Hopes

- \$25 Million project generates 39% in tax credits or \$9,750,000
- NMTC Investor pays \$8,100,000 up front in exchange for tax credits over 7 years. This amount stays in the project
- Reduced by legal, accounting and CDE fees.

# Northern Nevada Hopes NMTC Transaction



# How Can We Partner Together?

- Are you a government/municipal agency with limited funds but want to help?
- Are you a potential borrower (Non-profit or developer working in low income communities with viable business?)
- Are you a lender seeking stronger returns?
- Investor seeking CRA credit?

# For More Information

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Clearinghouse CDFI

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