



LISC LOCAL INITIATIVES SUPPORT CORPORATION

Tax Credits at the Center of Health, Housing and Economic Mobility

The Local Initiatives Support Corporation (LISC), through its Healthy Futures Fund, utilized a combination of Low Income Housing Tax Credits, New Markets Tax Credits and other innovative financing tools to finance the Conway Center—the first development in the District of Columbia to combine affordable housing, job training and healthcare under one roof.

The Conway Center

The Conway Center, named in honor of Joanne Conway and William E. Conway, Jr., will be owned and operated by So Others Might Eat (SOME), a non-profit service provider with over 40 years of experience working with homeless and at-risk families, providing them with food, clothing, housing, job training and addiction treatment. The project, slated for completion in the spring of 2018 and located adjacent to a mass transit hub, will have diverse positive impacts on a community that is a federally designated medically underserved area with a 26% poverty rate and family income that is just 35% of the area median.



The project will offer:

- A 37,000 square foot, state of the art **federally qualified health care center** operated by Unity Health Care. The new facility will replace an existing 5,400 square foot facility located across the street, and will generate 20 new jobs and provide 12,900 patients annually with a host of services, including pediatric care, obstetric and gynecological services, nutrition counseling, mental health and substance abuse services, HIV treatment and dental care.
- A full service **pharmacy**.
- **182 units of affordable supportive housing**, and an additional 20 units of housing for individuals participating in a substance abuse treatment program.
- Office and program space for So Others Might Eat, including a **Center for Employment and Training (CET)** that will prepare individuals for living wage careers through hard and soft skills training, adult basic education and career development.

Financing Tools

In 2013, Local Initiatives Support Corporation (LISC), the Kresge Foundation, and Morgan Stanley partnered to form the Healthy Futures Fund to support the growth of high-quality, community-based health centers linked with affordable housing. The Healthy Futures Fund helps realize opportunities to locate health care facilities with or near affordable housing. The program was expanded in 2015, bringing the total commitment of funding to \$200 million.

The centerpieces of the financing that supports investments through our Healthy Futures Fund are the Low Income Housing Tax Credit and the New Markets Tax Credit. These federal tax credits allow private sector investors to invest in affordable housing, community facilities and other projects that would not pencil out but for the availability of these tax credits.

Total development costs for all components of the Conway Center (the housing, the community health

center, and the office/retail space) were approximately \$90 million. The largest single source of financing for the 182 units of affordable housing was a \$20.5 million Low Income Housing Tax Credit investment by Morgan Stanley. Other sources of gap financing to support the deeply targeted affordable housing units (most will serve individuals and families making less than 30% of area median income) were provided through the District of Columbia's Housing Production Trust Fund, as well as a tax-exempt bond issued by District of Columbia Housing Finance Agency.

The Unity Health Center was financed primarily through \$14 million of New Markets Tax Credits offered by LISC and Morgan Stanley. Additional NMTCs offered by City First Bank and D.C. Housing Enterprises (an affiliate of the DC Housing Authority) secured \$22 million from U.S. Bancorp and Citibank to finance the 20 additional housing units and the retail and office components of the project. LISC has also provided \$275,000 in grant support for the project.