

# *Rural Health Capital Resource Council*

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Building Multi-Sector Strategies  
For Rural Health Capital Resources

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*Chief Project Officer*



[www.caplink.org](http://www.caplink.org)

# Our Vision

*Stronger health centers, actively building healthy communities*

# Our Mission

*Capital Link works to strengthen community health centers—financially and operationally—in a rapidly changing marketplace. We help health centers:*



Plan for health center sustainability and growth



Help health centers access capital



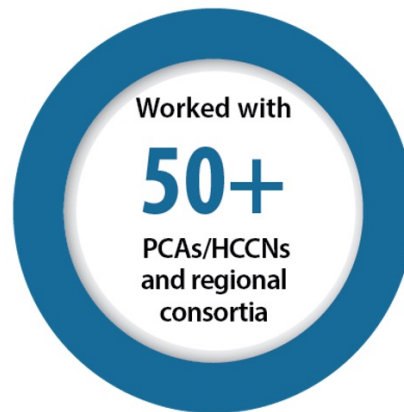
Improve and optimize health center operations and financial management



Articulate health center value

*Launched in 1995, Nonprofit, HRSA national training & technical assistance partner (NTTAP)*

*Offices in AL, CA, CO, FL, and MA*



ASSISTED **2/3<sup>rds</sup>** OF HEALTH CENTERS NATIONALLY

LEVERAGED **\$1.3 billion**

FOR **244+** HEALTH CENTER PROJECTS

**\$1.6 billion**

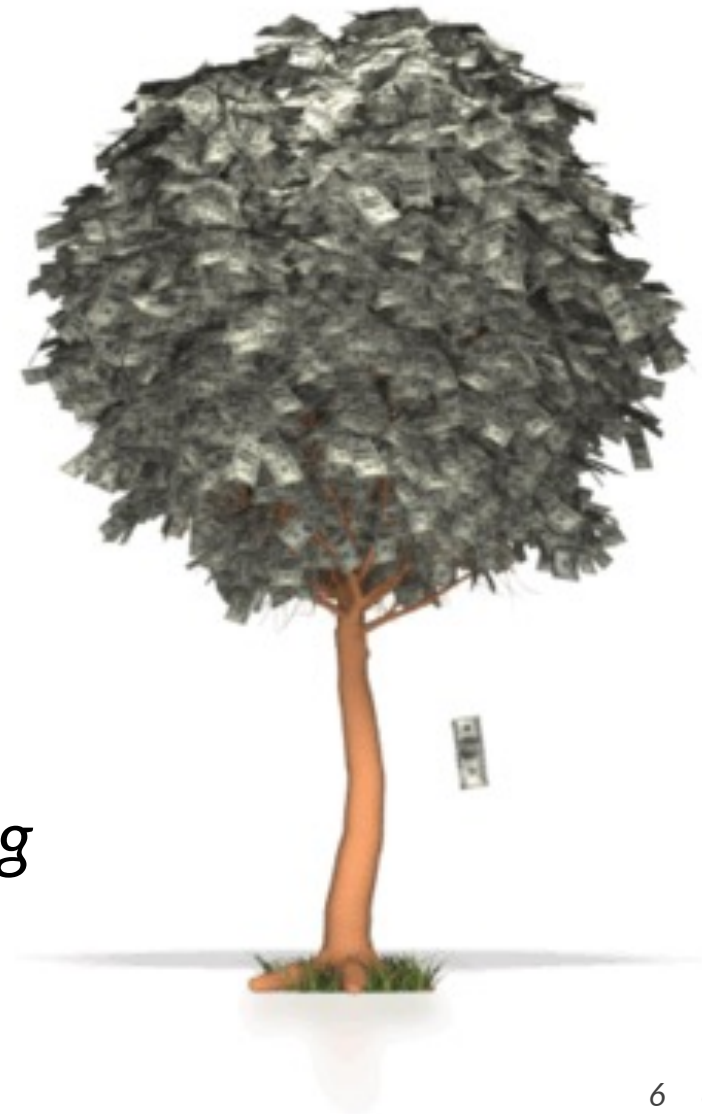
# Assessing Risk and Identifying Opportunity



- *New Market Tax Credits (NMTC)*
- *Tax-Exempt Bonds*
- *US Department of Agriculture (USDA)*
- *HRSA Loan Guarantee Program (LGP)*
- *HRSA Capital Grants*
- *Covid-19 Relief*
- *CDBG*



- *Foundations*
- *Bank Loan*
- *State/Local Funds*
- *Cash Reserves*
- *Lease vs Loan*
- *Grants/Gifts*
- *Congressional Directed Spending*



# Example: \$10 Million Health Center Project

- **Conventional Bank Loan Only**
  - Interest rate is 6% with 15 year amortization
  - Annual Debt Service (P&I) \$810,103
- **Conventional Bank Loan with NMTC**
  - NMTC “net benefit” approximately 25% of project budget
  - \$2,500,000 subsidization from NMTC’s Program
  - Annual Debt Service \$791,971 During 1<sup>st</sup> 7 years; then \$759,471
- **Tax-Exempt Bonds with NMTC**
  - NMTC net benefit approximately 25% of project cost - \$2,500,000
  - Interest rate – 4.0 % (fixed 10 years); 15 YR AMORT
  - Annual Debt Service \$709,474 During 1st 7 years; then \$665,724
- **Foundation’s PRI with NMTC**
  - NMTC subsidy approximately 25% of project budget: \$2,500,000
  - PRI Loan for the balance - \$7,500,000; Interest rate of 3.0%; 40 year term
  - Annual Debt Service \$365,936 During 1<sup>st</sup> 7 years; then \$322,186



## • Project 1, Rural

- \$0.4M Land Equity
- \$1.1M Cash/Predevelopment
- \$2.2M NMTC Equity
- \$4.2M Loan
- \$7.9M Financing

## • Project 2, Rural

- \$0.5M Foundation Grant
- \$0.8M In-kind
- \$2.1M USDA Loan
- \$3.4M Financing



## • Project 3, Rural

- \$ 2.0M Loan
- \$13.0M Loan (HRSA Guaranteed)
- \$ 5.8M NMTC Equity
- \$ 7.0M Cash and In-Kind
- \$27.8M Financing

## • Project 4, Rural

- \$ 4.1M Cash (Grants) and In-Kind
- \$ 1.4M Equity Investment
- \$ 3.6M NMTC Equity
- \$ 5.0M Loan
- \$14.1M Financing



- *Learning Collaboratives*
- *Case Studies*
- *Strategic Planning Toolkit*
- *Scenario Worksheets*
- *Benchmarking Toolkit*
- *Debt Capacity Estimates*
- *Capital Project Work Plan Manual*
- *National Trends Reports*
- *Cost of Care Bulletin*
- *Performance Evaluation Profiles*
- *Recorded/Upcoming Webinars*
- *...and so much more...*



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