

PROJECT BASICS

Type:

Real Estate – Community Facility

Total Development Cost:

\$4.6 million

LISC New Markets Tax Credit Allocation:

\$4.8 million

PROJECT STAKEHOLDERS

LISC Program:

Virginia LISC

Investor:

Bank of the James

Lenders:

LISC, CCBV, LNDF, Lynchburg EDA

Sponsor/Developer:

Lynchburg Neighborhood Development Foundation

COMMUNITY NEED

- **38.2% Poverty Rate**
- **Unemployment rate 1.40 times the national average**
- **Family income 33.3% of the area median**
- **Federally designated medically underserved area**

COMMUNITY IMPACT

- **22,132 sq. ft. of Commercial Space**
- **48 Permanent Jobs**
- **75 Construction Jobs**
- **Medical services provided to 150 persons per day**

Project Snapshot:

- The project entailed the acquisition and rehabilitation of the C.W. Warthen Building, a 22,132 sq. ft. commercial building in Lynchburg, VA.
- The building houses medical facilities designed to provide services to the elderly and the medically under-served.
- The center houses two tenants that occupy 100% of the building space. Centra Health/PACE and Johnson Community Health Center, the two tenants leasing the commercial space offer much-needed gerontological and pediatric services to the surrounding community, serving as many as 150 persons per day.



Project Background:

- Founded in 1993, the Lynchburg Neighborhood Development Foundation (LNDF) finances and develops housing in the Central Virginia area, enabling citizens of low and moderate income to live in safe, decent, and affordable homes.
- The Virginia Community Development Corporation (VCDC), formed in 1989, served as development advisors to LNDF during the acquisition and rehabilitation of the Pyramid Health Center. LNDF, in partnership with VCDC, engaged in a large-scale development project in a section of Lynchburg that is in the early stages of revitalization.
- The Pyramid Health Center Project is the acquisition and renovation of the Warthen building in Lynchburg, VA.
- Centra Health is a major regional hospital provider and Johnson Community Health Center is a federally-qualified community health center that has served the city since 1998.
- This project is adjacent to Fifth Street, a part of the city which has undergone steady decline since the 1960s. Fifth Street was targeted by the City of Lynchburg for long-term reinvestment activities. The revitalization of this corridor will begin the process of bringing services and economic opportunities to a community void of such important elements.
- The Pyramid Health Center project, among the first redevelopment projects to be undertaken in the area, is a major catalyst in the redevelopment of Fifth Street.
- Additionally, the benefits of the project offer expanded medical care to area residents. Increased staff presence, as well as patients and care-givers, has drawn other commercial and retail services to the area.

Leveraging Solutions through New Markets Tax Credits (NMTC):

- The project sponsor had difficulty finding adequate sources of financing to cover all of the costs associated with this rehabilitation. Our program offered a way to leverage the available financing and bridge the gap.
- \$4.8 million in NMTC allocation authority provided a custom product with non-traditional/favorable terms including: a lower than standard interest rate, a lower than standard origination fee, a longer interest-only payment period, a higher than standard loan-to-value ratio and a lower than standard debt service coverage ratio.