

SITE DESCRIPTION

Morris Heights Health Center (MHHC), the major provider of health care to Morris Heights and the surrounding areas of Bronx, NY, purchased expansion property across the street from its main facility in 2004. The non-profit organization was compelled to increase capacity, provide new healthcare services previously unavailable in the local community, and address the issue of inadequate housing for the area's growing elderly population. This new addition, Harrison Circle, will include 30,000 square feet of new medical office space and a 9,000 square foot pharmacy, as well as 70 units of low-income housing for seniors and additional parking space. MHHC has served the Morris Heights community with distinction as its primary healthcare provider since 1981. Harrison Circle will offer more comprehensive care, allowing the community to remain within the MHHC system for their primary and specialty care needs.

LOW INCOME COMMUNITY METRICS

- + Unemployment Rate: 2.21 times the national average
- + Poverty Rate: 32.1%
- + Median Family Income: 54.3% of benchmark
- + Economic Development and Housing Hot Zone
- + Federal Medically Underserved Area
- + NYC Redevelopment Area

PROJECT GOALS

- + Increase the capacity of Morris Heights Health Center to serve an estimated additional 30,000 residents of the Bronx, resulting in 80,000 annual visits
- + Achieve LEED Silver certification for the medical office portion of the development, providing a sustainable facility and healthy environment for patients and staff
- + Make significant efforts to hire Bronx residents for the estimated 50 new permanent positions in medical service, support, housekeeping and maintenance
- + Make significant efforts to utilize Minority and Women-owned Businesses during construction
- + Act as a catalyst for further development in the surrounding area

ECONOMIC IMPACTS SUMMARY

The allocation of \$22.3 million in New Markets Tax Credits is anticipated to leverage a total project cost of \$28 million and complete financing for a project that, but for the tax credits, could not move forward. An analysis of the direct, indirect and induced economic impacts resulting from construction investment and first ten years of operations shows that the Harrison Circle Building at Morris Heights Health Center is anticipated to create \$141.6 million in total economic impact, and \$17.2 million in federal and state fiscal impacts.

BENEFIT OF TAX CREDITS

The New Markets Tax Credits program has provided vital economic stimulus to underserved communities nationwide. With the allocation of \$22.3 million in New Markets Tax Credits on the Harrison Circle Building at Morris Heights Health Center, the federal government has effectively foregone the collection of \$8.7 million in federal taxes over seven years. In return, this powerful investment opportunity is estimated to generate 232 temporary construction jobs, 50 permanent jobs, \$58.8 million in wages, and \$11.3 million in new federal taxes during construction and the first ten years of operations.

“He who has health has hope; and he who has hope has everything”

— Arabic Proverb

NEW MARKETS TAX CREDITS PROGRAM

The New Markets Tax Credit (NMTC) program, established by Congress in 2000 (Omnibus H.R. 4577), was created to encourage private investment in underserved communities in the United States. The NMTC program permits taxpayers to receive a credit against Federal income taxes for making qualified equity investments in designated Community Development Entities (CDEs). Substantially all of the qualified equity investment must in turn be used by the CDE to provide investments in low-income communities.

The credit provided to the investor totals 39% of the cost of the investment and is claimed over a seven-year credit allowance period. Investors may not redeem their investments in CDEs prior to the conclusion of the seven-year period.

The appeal of the NMTC program is financing availability for projects in underserved geographic areas, with extremely favorable terms, for businesses and real estate developers or owners. The result of these investments is to enable non-financeable projects to be completed, and often to allow projects to be enhanced with community-oriented components, both of which generate measurable community impacts as described in this report.

METHODOLOGY

The economic and fiscal impacts shown in this Community Impacts Report were generated using IMPLAN® Professional, the industry standard econometric software used by over 1,000 companies, organizations and government agencies to estimate the impacts of an economic event. IMPLAN® uses “input-output accounting” and closely follows the accounting conventions used in the “Input-Output Study of the U.S. Economy” by the Bureau of Economic Analysis (1980) and the rectangular format recommended by the United Nations. Employment impacts are based on an assessment of IMPLAN® data and best estimates provided by the project developer. All results shown in this report are based on total construction costs and New Markets Tax Credit allocation amounts at transaction closing. Actual results will vary according to local economic conditions, wages, materials costs, tax rates, and more.

The total impact figure represents the direct, indirect and induced economic impacts of the discrete construction period plus the first ten years of operations. The total impact figure does not include the fiscal impact, which represents the Federal and State/Local tax revenue resulting from the direct, indirect and induced economic activity during these same periods. Jobs are measured in hours worked and, using a multiplier, are represented as FTEs (full time equivalents). Construction jobs are temporary and will be spread out over the construction period, depending on the level of construction spending in each year. Operations jobs are permanent and reflect jobs maintained or created as a result of the project development.

United Fund Advisors serves as the financial consultant for Portland Family of Funds Holdings, Inc. (“PFF”). PFF is the controlling entity for the New Markets Tax Credits allocatee, National Community Fund I, LLC.

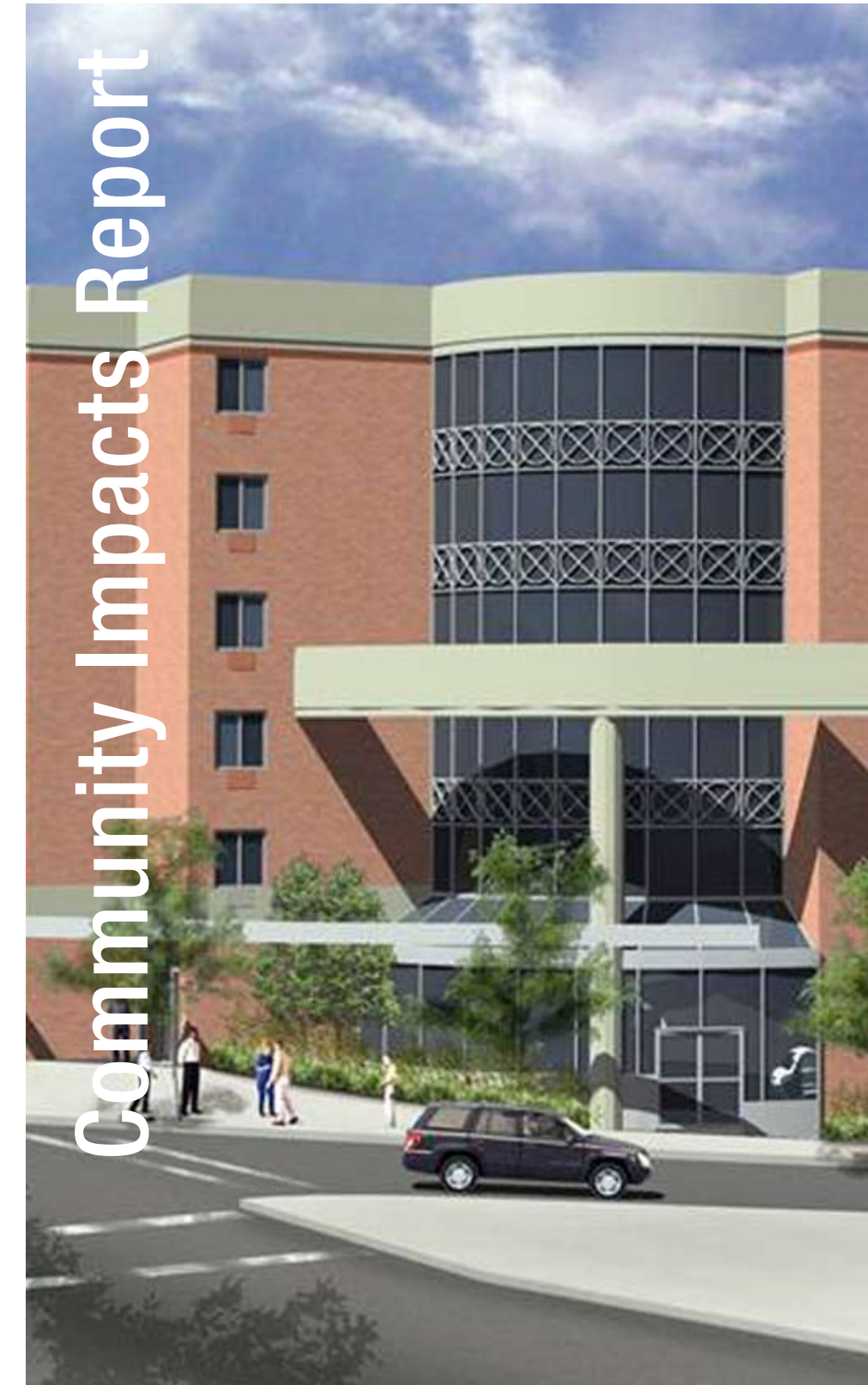


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HARRISON CIRCLE BUILDING MIXED-USE FACILITY MORRIS HEIGHTS HEALTH CENTER



Harrison Circle Building
57-69 West Burnside Ave., Bronx, NY 10453



HARRISON CIRCLE BUILDING MIXED-USE FACILITY

MORRIS HEIGHTS HEALTH CENTER

UFA



3BLSM

United Fund AdvisorsSM is a financial services firm that provides triple bottom line returns to partners, projects, and communities nationwide.

TRIPLE BOTTOM LINE RETURNS

FINANCIAL UFA transactions are structured to deliver appropriate yields to all types of investors, lenders and project developers. Whether it's a green building or a small business, a strong financial foundation allows UFA and its partners to be financially rewarded for building projects that deliver more deeply to the community and the natural environment.

SOCIAL While a single UFA project cannot change the fortunes of a city or the world, strong focus on what's best for the people who live there can be a magnet for ideas, improvements and investment. UFA projects create jobs and job training, build wealth and property ownership, deliver healthy buildings and clean energy, provide access to transit, enable historic preservation, and support education and culture.

ENVIRONMENTAL Buildings are responsible for approximately 48% of the energy use and emission of greenhouse gases in the United States, and the demand for clean, renewable energy is increasing rapidly. UFA is making change by creating tax-advantaged investment opportunities which result in financing for projects with reduced energy costs and enhanced property values.

PARTNERS IN THE HARRISON CIRCLE BUILDING PROJECT:

- Morris Heights Health Center
- United Fund Advisors, LLC
- National Community Fund I, LLC
- Enterprise Community Investment, Inc.
- New York City Economic Development Corporation
- JPMorgan Chase

NEW MARKETS TAX CREDITS ECONOMIC IMPACTS:

Location	57-69 West Burnside Avenue, Bronx, NY
Development Type	Medical Office Space, Pharmacy and Senior Low-Income Housing
Size	39,000 SF
Developer	Morris Heights Health Center
Total Project Cost	\$28,038,000 (Medical offices and pharmacy only)
Allocation Required	\$22,300,000
CDEs	National Community Fund I, LLC; Enterprise Community Investment, Inc.
Low Income Community	Unemployment Rate: 2.21 times the national average
Project Timeline	Poverty Rate: 32.1%
LEED Certification Level	Median Family Income: 54.3% of benchmark
	Project Complete: Summer 2010
	Silver

JOBS*

+282

WAGES*

\$58.8M

FISCAL IMPACT*

\$17.2M

TOTAL IMPACT*

\$141.6M

* Figures shown are direct, indirect, and induced impacts of construction and first 10 years of operations. Please see www.unitedfundadvisors.com for more information.

+ ADDITIONAL COMMUNITY IMPACTS

- + Provide comprehensive medical care, including orthopedic, behavioral health and diagnostic imaging services not previously offered, to an estimated 30,000 additional Bronx residents annually
- + Support the creation of additional, affordable senior housing in the Morris Heights area
- + Develop nearly 9,000 square feet of space for a new commercial pharmacy that will serve the surrounding Morris Heights area's low-income community and growing elderly population
- + Partner with the local community in efforts to create a Business Improvement District for Burnside Avenue and participate in future planning
- + Incorporate sustainable design elements in the medical office portion of the development, targeting a LEED Silver certification from the U.S. Green Building Council