

# Kentucky

## NMTC Allocatee

Community Ventures  
Jason Lee  
jlee@cvky.org  
859-231-0054



## Community Profile

### Pikeville, KY

<b>Poverty Rate</b>	33.5%
<b>Median Income Compared to AMI</b>	64.2%
<b>Unemployment Rate</b>	14.6%

## Project Highlights

- Investor: U.S. Bancorp Community Development Corporation
- NMTC: \$37.2M
- Co-Allocatees: National Community Investment Fund; USBCDE LLC; CAHEC New Markets, LLC; Urban Research Park LLC
- Jobs: 154 permanent jobs

## Pikeville College School of Osteopathic Medicine

Pikeville University is in Kentucky's rural, eastern-most Appalachian county. With a 33.5 percent poverty rate and a median family income of only 64.2 percent of the national average, Pike County is a medically underserved Appalachian Regional Commission (ARC) county. The vision of the Pikeville College School of Osteopathic Medicine (PCSOM) was to provide economic opportunity, health care access, and jobs for its residents. However, this goal could not have been reached with out the New Markets Tax Credit (NMTC) financing provided by Community Ventures (CV) and four other CDEs. As a result, the \$37 million project was completed.

CV was the first CDE to commit to the project for \$10 million in allocation. Pikeville College is the leverage lender to the QALICB. The college received a \$26.5 million loan from the USDA Rural Development and added \$1.5 million of college funds to the leverage. CV's NMTC investment lowered PCSOM's debt burden, allowing the school to expand its class size. Upon completion, enrollment increased from 75 medical students to 135, reaching capacity.

Students are trained to become primary care physicians with emphasis on providing preventive health care, and prepared for leadership roles in addressing the critical shortage of physicians in Kentucky and other Appalachian regions. The college estimates that in addition to the \$40,000 annual tuition, students provide \$20,000 to \$25,000 annually in revenue to the community for apartments, food, clothing, and local services, adding approximately \$8.5 million to the local economy annually. Moreover, 800 physicians have graduated from PCSOM, and over 60 percent work in medically underserved areas of Appalachia. According to the economic impact study by Capital Access, from 2019-2023 there will be 182 new physicians, easing the rural physician shortage, generating a total economic output of \$716,419,786, and creating 1,806 future jobs in severely economically distressed communities.

The project created high quality jobs for low-income community (LIC) residents and LIPs with wages substantially above the area's living wage. PCSOM offers all permanent employees a competitive benefits package. In addition to training medical students and providing free care to low-income persons and residents of LICs, PCSOM works with its local nursing candidates to first become LPNs (\$20/hr) and, potentially, move on to attain RN training and licensing. The clinic accommodates 4,000 patient visits annually, up from 2,500. Without the critical support of NMTC provided by CV and others, PCSOM would not be able to improve the community by generating opportunity, health care, and jobs.