

Central City Community Health Center, CA

This document describes the loan structure Central City Community Health Center (CC) in California used to finance the \$3.3 million purchase and partial renovation of a new 21,500 square foot administrative building, and the development of a system-wide call center.

Chief Executive Officer Dr. Gilbert Varela stated, “When the time came to finance this project, we needed to act fast. Capital Fund was able to turn around the loan quickly for us so we could stay on schedule.”

About CC

CC is a Section 330 Federally Qualified Health Center (FQHC) operating five community health center clinics located in Los Angeles, Orange, and Riverside counties in CA. In 2013, the health center served approximately 27,000 patients through 118,000 visits. Established in 1994, CC provides a full-range of services including general primary health care, preventive dental care, a Federal 340B discount drug program, behavioral health services, and homeless programs. Two of CC’s main areas of focus are providing integrated behavioral health services to its patients and caring for special populations — dually diagnosed individuals, the homeless, seniors, and people with disabilities. In addition to serving patients on-site at its five clinics, CC also serves local homeless and migrant agricultural workers utilizing two fully-equipped mobile medical vans.

Since 2010, CC has experienced rapid growth — patients, visits, and full-time equivalent employees grew 70%, 84%, and 138%, respectively. At the same time, CC’s administrative functions were located in several leased clinic sites, offering no space to expand without taking over valuable clinic space. In order to keep up with growing operations and free up much needed clinic space, the health center decided to invest in a new building to be used entirely for administrative functions.

Project Description

CC has purchased and is renovating a 21,500 square foot commercial office building, which is expected to be completed by mid-2015. The two-story building is located on 1.2 acres in a business park that is easily accessible from all area freeways. In addition to housing all administrative functions, the two-story building will also be home to CC’s new system-wide call center. The call-center will allow CC to centralize its patient appointment process, thereby allowing clinic staff to focus solely on caring for patients.

Project Financing

Capital Fund provided a long-term \$3.3 million loan to CC for the purchase and renovation of the new administration building, including the development of its system-wide call center. CC’s loan was funded by Community Health Center Capital Fund (Capital Fund) and The California Endowment (TCE), as part of TCE’s Building Healthy Communities Program Related Investments (PRI) Loan Program.