This summary describes how Lowell Community Health Center, Inc. (LCHC) planned and financed its expansion project, highlighting the capital project structure, financing and impact. Capital Link worked with LCHC throughout the planning of its capital project and developed this “health center story” to assist other health centers.

Located in Lowell, Massachusetts, the health center purchased a 100,000 square foot building in 2011 with plans to consolidate its nine sites into one centralized facility, allowing LCHC to serve an additional 12,000 patients. The health center chose to build a larger facility in response to extraordinary growth: LCHC’s patient population increased by 257% from 2000 to 2008, growing from 9,000 to over 32,000 users. As patient volume increased, so too has LCHC’s role as a key local employer, with the number of employees more than doubling since 2000 (from 138 to 292 staff). Despite this growth, Lowell’s clinical space remained largely unchanged over the past decade, resulting in the health center’s inability to hire new providers and address an unmet need estimated at 10,000 Lowell residents.

About Lowell Community Health Center

With a population of 105,167 residents, Lowell is a densely-populated urban center and the fourth largest city in Massachusetts. Over the past decade, Lowell’s demographics have changed dramatically as the city has experienced a continuing pattern of immigration. Census estimates suggest that 22% of Lowell residents are immigrants, twice the national average of 11%. The unemployment rate of 11.7% in Lowell exceeds both the statewide and national averages and is rising rapidly. Since 1983, Lowell has been designated as a Medically Underserved Area and since 2003 as a primary care Health Professional Shortage Area (HPSA). Recently, the city was re-designated as a low-income primary care HPSA.

Founded in 1970, LCHC provides services to 1 in 3 Lowell residents, 98% of whom are low-income and 60% of whom are ethnic minorities. The health center’s diverse primary care and preventative programs have been recognized as national models, and LCHC was named one of the top five health centers in the nation for excellence in cultural competence. The Health Center’s multi-lingual staff speaks over twenty-five languages. LCHC serves as one of Lowell’s largest employers and contributes over $32 million annually (as of 2011) to the local economy.

The Capital Project

LCHC will be the anchor tenant in the redevelopment of the Hamilton Crossing complex, a historic mill structure located in the heart of downtown Lowell that is crucial to the city’s revitalization efforts. The new building will triple LCHC’s current square footage, offering double the number of exam rooms, six additional dental operatories, a new Urgent Care Center, and a new Pharmacy. With its increased efficiencies, the center
Health Center Stories:  
*Lowell Community Health Center, MA*

The Capital Project (continued)

will expand operating hours and the range of health care services offered, including specialty medical care. LCHC will also integrate behavioral health services with primary care, and expand community outreach services and training programs. The health center is expected to have a more visible presence in the city with this new flagship facility.

An exterior view of Lowell’s new facility.

Project Funding/Financing

LCHC’s $40.5 million capital project was funded with a $9.3 million HRSA Facility Investment Program (FIP) grant, $5 million in Federal Historic Tax Credits, and two loans guaranteed by the HRSA Loan Guarantee Program (a $10.2 million leveraged loan and a $4 million direct loan that bridges future capital campaign proceeds). In addition, the health center leveraged grants and contributions with New Markets Tax Credits that resulted in favorably priced debt with equity-like features. The New Markets Tax Credits generated approximately $7 million in funding for the project. Finally, LCHC is raising funds through a capital campaign.
Health Center Stories:
Lowell Community Health Center, MA

Impact

LCHC anticipates multiple positive impacts on its community, including increased patient visits, direct employment at the health center and 257 construction jobs created for the capital project. By purchasing goods and services from local businesses, the health center also supports jobs in other sectors and stimulates the local economy through an infusion of spending. A summary of the LCHC’s impact prior to construction, and projected for after completion is included below.

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<thead>
<tr>
<th></th>
<th>2011 (prior to project start)</th>
<th>2016 (projected)</th>
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<tbody>
<tr>
<td>Number of Patients Served</td>
<td>20,776</td>
<td>33,704</td>
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<tr>
<td>Number of Patient Visits</td>
<td>96,182</td>
<td>156,050</td>
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<td>Total Operating Revenue</td>
<td>$19,186,452</td>
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<td>Permanent Direct Employment</td>
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<tr>
<td>Total Economic Impact</td>
<td>$32,763,745</td>
<td>$52,594,071</td>
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