

North End Waterfront Health, MA

This document describes how North End Waterfront Health (NEW Health) financed capital projects using two loan structures: a \$1 million construction loan to renovate its Boston facility and a \$500,000 equipment loan used for both the Boston site and a new facility in Charlestown.

“Capital Fund took the time to understand our unique situation and helped us obtain the flexible financing we needed to accomplish our goals,” says James Luisi, Chief Executive Officer at NEW Health.

About NEW Health

NEW Health is a Section 330 Federally Qualified Health Center (FQHC) that has served Boston’s North End community for over 40 years from one primary care site. In 2014, the health center served approximately 10,200 patients through 44,000 visits. NEW Health provides a full-range of services including general primary care, dental, behavioral health, and pharmacy services. NEW Health is recognized by The Joint Commission as a Patient-Centered Medical Home (PCMH) and has also achieved National Committee for Quality Assurance (NCQA) level 3 PCMH recognition.

Originally, the North End community consisted largely of Italian immigrants and subsequent generations, with a high percentage of senior residents. When it opened its doors in 1971, the health center offered programs and services tailored to this unique population. Over the past 20 years, the North End has grown and gentrified, increasing demand for NEW Health’s services and changing the community’s demographic profile. Constrained physically, and recognizing that there may be an opportunity to expand its service area into a new neighborhood, NEW Health made the decision to both renovate its existing space in the North End and open a new facility in nearby Charlestown, MA.

Project Descriptions

North End Facility

NEW Health completed a \$1 million renovation of its three-story North End facility in early 2015. Renovations were made to the first and third floors to create additional space for dental and pharmacy services and to reduce the number of exam rooms dedicated to services no longer in high demand, such as pediatric medicine.

Charlestown Facility

NEW Health’s new Charlestown facility is expected to be completed in late summer 2015. It will expand the health center’s operations into a densely populated neighborhood inhabited by approximately 4,400 residents, 70% of which earn incomes at or below 200% of the Federal Poverty Level. The new site is located adjacent to the Charlestown Housing Community for low- and moderate-income individuals and families — Boston Housing Authority’s largest housing community — and within a few miles of four other housing communities.

Capital Fund Loan Highlight

NEW Health will lease an 11,000 square-foot space on the first floor of the renovated building, which is a former Catholic school. The new space is being renovated to NEW Health's specifications and will house seven medical exam rooms, four dental operatories, four vision exam rooms, a vision dispensary, two behavioral health consult rooms, and shared office space. While most patients live close enough to walk to the Charlestown facility, reducing the need for extensive space for parking, there is a parking lot behind the building for providers and other staff. There is also a small building, formerly the church rectory, located on the property that may eventually be converted into a pharmacy.

Combined, both projects will allow NEW Health to serve an additional 3,300 patients through 19,100 patient visits in the first full year both sites are operational.

Project Financing

NEW Health financed the North End renovation project utilizing a \$1 million long-term loan from Community Health Center Capital Fund (Capital Fund). Capital Fund also provided NEW Health with a \$500,000 intermediate-term equipment loan. Proceeds from this loan were primarily used to purchase medical, dental, and information technology equipment for the new Charlestown site, with a small portion providing funding for equipment at the North End site.

In addition to Capital Fund, NEW Health's loans were also funded by Cambridge Savings Bank (CSB), a long-established local bank committed to serving the needs of its community. Both Capital Fund and Capital Link have worked with CSB in the past to provide financing to several other Massachusetts health centers.