

## Health Center Stories:

### *Asian Health Services, CA*

This summary describes how Asian Health Services (AHS) planned and financed its expansion project, highlighting the capital project structure, financing and impact. Located in the heart of Chinatown in Oakland, California, the health center acquired and renovated the historic Silver Dragon restaurant building. The new clinic will significantly increase the health center's service capacity. Construction of the new clinic began in the spring of 2012 and was completed in February 2013.

The goal of the project was to help AHS meet increased demand for services. AHS is a thriving provider of primary care for both residents and new immigrants of the East Bay area of California. Despite adding 8,000 square feet of clinic space with the opening of the Frank Kiang Medical Center in 2010, Asian Health Services is still operating at full capacity. The waiting list for non-urgent care has over 5,000 names on it, a wait of up to four months. From 2005 to 2008, the number of patients at AHS grew by 6.2% per year and the number of visits grew 5.9% per year. The loss of health insurance due to unemployment (currently at 12% in the Oakland-Hayward-Fremont cities) and state budget cuts have resulted in an even greater influx of new patients seeking care at AHS.

#### **About Asian Health Services**

Founded in 1974, Asian Health Services (AHS) is a health center providing comprehensive medical, dental and behavioral health services to the underserved Asian and Pacific Islander populations in Oakland and Alameda County. AHS is also home to the Language and Cultural Access Program, a medical interpretation and translation service, responding to the fact that 90% of its patients experience "linguistic isolation," defined by the Census Bureau as persons who speak a language other than English at home and do not speak English "well" or "very well."

In 2011, AHS served over 23,000 patients and 111,000 patient visits at its locations. 70% of AHS's patients have incomes below the federal poverty level, and 38% are uninsured. 92% of the health center's patient base is Asian, predominantly Chinese (65%) but also Vietnamese, Cambodian, Korean, Mongolian, Filipino, Mien and Burmese.

Alameda County's Asian population is rapidly growing, doubling every ten years, and many of the Asian/Pacific Island immigrants in AHS's service area experience severe health inequities due to language and cultural barriers, low socioeconomic status, and lack of access to health care. AHS' staff offers culturally competent care, fluent in English and ten Asian languages.

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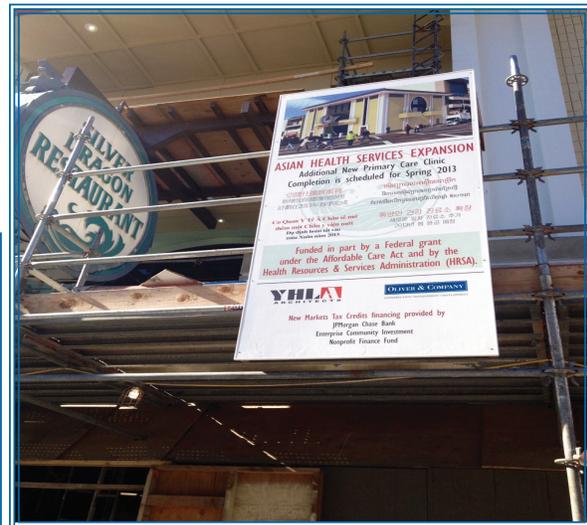
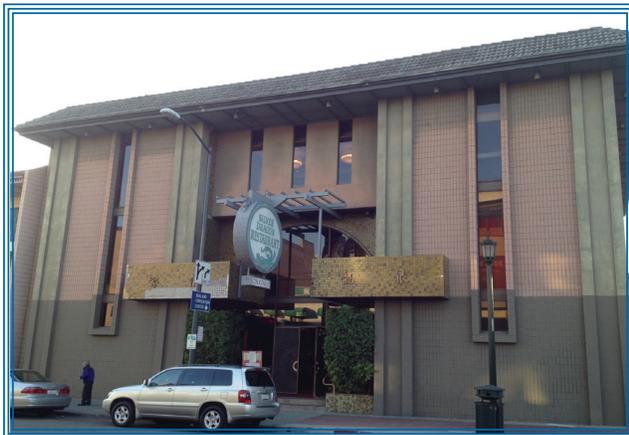
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### The Capital Project

The Silver Dragon building is ideally located for the expansion since it is part of the commercial, cultural and residential hub of the Asian communities, and is easily accessible by public transportation. Just one block from AHS's main medical and dental sites, the 15,000 square foot, three-story building will have 20 exam rooms for family medicine and geriatric care. On the ground floor will be community rooms for workshops and educational events, as well as an area for helping people sign up for health coverage.

At full capacity, the new facility will serve 9,800 patients and provide 39,900 patient visits annually. The building will allow 40 clinical staff to offer a continuum of primary care services to patients in five life cycles: perinatal, pediatric, adolescent, adult and geriatric. Once the newest location opens, the health center will have two primary care clinics and a dental branch all within one block in Chinatown.

**Transforming the Silver Dragon restaurant to Asian Health Services' newest location.**



**Asian Health Services celebrated the grand opening of the fully renovated building in August, 2013.**



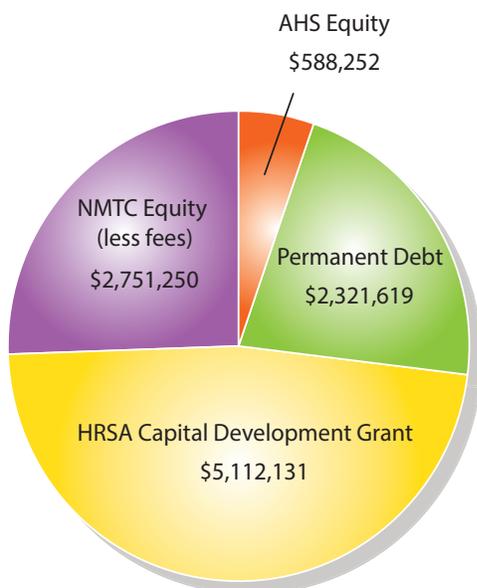
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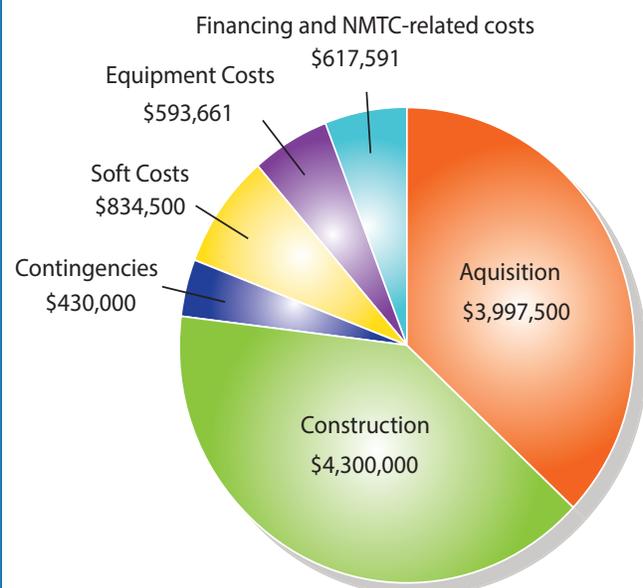
### Project Funding/Financing

AHS financed the \$10.5 million capital project using a compelling and cost-effective structure, indirectly leveraging a \$5.1 million HRSA capital development grant with New Markets Tax Credits (NMTC), generating roughly \$1.5 million in new project equity. Utilizing the HRSA capital development grant within a NMTC structure provided an opportunity to fund much of the project costs in a very low-cost manner, conserving cash that would have been spent on higher cost debt service. The substantial savings, estimated at over \$2 million compared to a non-NMTC structure, allowed AHS to remain financially stable during a difficult economy.

#### Sources of Funds



#### Uses of Funds



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### Impact

Capital Link uses an integrated economic modeling and planning tool called IMPLAN (IMpact analysis for PLANning) to assess the “multiplier effect” of each health center’s business operations, job creation, and likely future growth. Economic activity can be calculated in terms of direct, indirect, and induced impact. Direct benefits flow from expanded operations, new facilities, and hiring. Indirect benefits are a result of local purchases. Induced benefits occur from spending resulting from new household income as all local industries grow.

Prior to expanding in 2011, AHS contributed over \$27 million annually directly to the local economy, plus additional indirect and induced economic impact of approximately \$23 million. Five years after the project start, the direct economic impact is estimated to be over \$39 million annually, a \$12 million increase. Additional Indirect and induced economic impact is expected to be over \$30 million annually by 2016.

This project is anticipated add approximately 69 permanent Full-Time Equivalent (FTE) employees by 2016 with the expansion of services being offered. The chart below shows the impact of AHS’s expansion on the community.

	2011 (prior to project start)	2016 (projected)
Number of Patients Served	23,872 (actual)	38,317 (projected)
Number of Patient Visits	109,811 (estimated)	176,259 (projected)
Total Operating Revenue	\$27,237,138 (actual)	\$39,339,721 (projected)
Permanent Direct Employment	233	303
Indirect and Induced Employment	146	176
Total Economic Impact (Direct, Indirect and Induced)	\$50,085,381	\$70,367,687