

Health Center Stories:

Family Health Center, Inc., MI

The following summary describes how Family Health Center, Inc. (FHC) planned and financed the construction of a brand new health center facility in Kalamazoo, MI as part of the Healthy Futures Fund 2.0 initiative.

About FHC

FHC is a Federally Qualified Health Center offering a wide range of health care services to residents of Kalamazoo, MI and the surrounding communities, including behavioral health, dental, OB/GYN, pediatrics, pharmacy, and walk-in clinics. Founded in 1970, FHC currently operates eight health center facilities, including a school-based health center, a mobile health clinic, and a Women, Infants, and Children nutrition program.

FHC's mission is to ensure that all members of the community have access to quality, comprehensive, patient-centered health care. The majority of the patients served by FHC are classified as low-income. In 2015, FHC served 26,019 patients, 99 percent of which earned less than 200 percent of the Federal Poverty Level. Fourteen percent of FHC patients were uninsured and 65 percent were Medicaid recipients.



Architectural rendering of Family Health Center's new Kalamazoo, MI health center facility.

Health Center Stories:

Family Health Center, Inc., MI

Capital Project Description

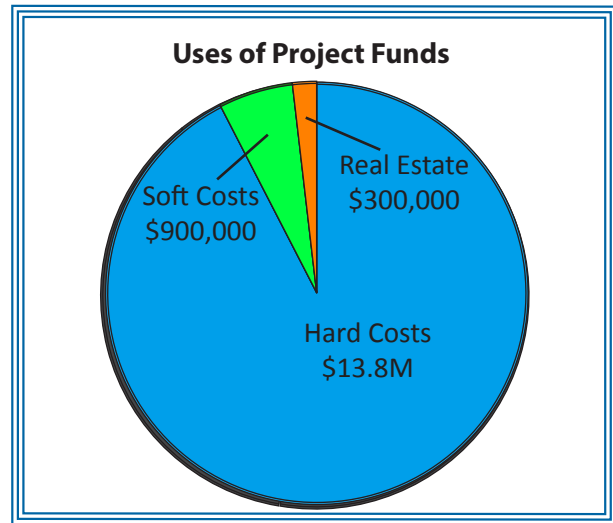
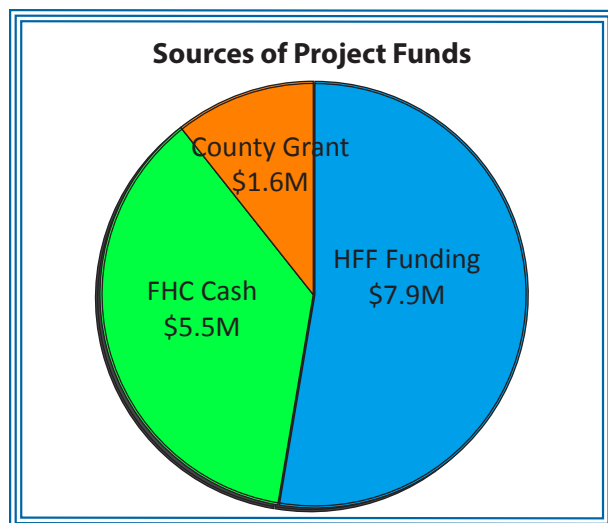
The new health center facility will be located in Kalamazoo's Edison neighborhood and will provide care to the underserved residents on the city's south side. Upon completion in the spring of 2017, the new 49,000 square-foot facility will allow FHC to serve an additional 18,825 patients each year and add an additional 55 full-time employees by 2023.

The new building will feature 24 medical exam rooms and 25 dental operatory stations, with space to add 24 additional exam rooms in the future. Services will include family practice, pediatrics, dental, pharmacy, health care education, behavioral health, case management, community health education, physical therapy, and occupational therapy.

Project Financing

FHC's approximately \$15 million project was financed through the Healthy Futures Fund 2.0 (HFF). Formed by the Local Initiatives Support Corporation (LISC), Morgan Stanley, and The Kresge Foundation, HFF is an initiative to improve community health by connecting health care and affordable housing for low-income residents. Capital Link's lending affiliate, Community Health Center Capital Fund provided a \$5.4 million New Markets Tax Credit (NMTC) allocation and \$400,000 leveraged loan, guaranteed in part by The Kresge Foundation. Morgan Stanley and LISC provided leveraged loans as a part of this NMTC transaction. FHC also utilized a grant from Kalamazoo County and the health center's own cash investment.

The sources and uses of funds for FHC's capital project are illustrated in the charts below:



Health Center Stories:

Family Health Center, Inc., MI

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 come from local purchases. Induced benefits occur from spending resulting from new household income as all local industries grow.

As illustrated in the charts below, FHC’s overall economic contribution to the local economy in 2015 was approximately \$28 million annually. By 2023, the total economic impact is projected to be almost \$43 million. Additionally, with the expansion of services being offered, the project is also anticipated to create 104 direct, indirect, and induced permanent full-time equivalent (FTE) jobs in the local community by 2023.

2015 Operations			2023 Operations		
	Economic Impact	Employment (# of FTEs)		Economic Impact	Employment (# of FTEs)
Direct	\$15,448,928	202	Direct	\$23,192,022	257
Indirect & Induced	\$12,950,160	100	Indirect & Induced	\$19,440,857	149
Total	\$28,399,088	302	Total	\$42,632,879	406

This publication was supported by the Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services (HHS) under cooperative agreement number U30CS09741, Training and Technical Assistance National Cooperative Agreement (NCA) for \$850,000 with 0% of the total NCA project financed with non-federal sources. This information or content and conclusions are those of the author and should not be construed as the official position or policy of, nor should any endorsements be inferred by HRSA, HHS, or the U.S. Government.