

Health Center Stories:

Shasta Community Health Center, CA

The following summary highlights how Shasta Community Health Center (SCHC) planned and financed the construction of a 16,000 square foot building to replace an existing leased facility in Anderson, CA.

About SCHC

Shasta Community Health Center (SCHC) is a Federally Qualified Health Center (FQHC) that has been providing comprehensive primary health and dental care to residents of Shasta County, CA since 1988. SCHC currently operates its main medical campus and two additional clinic sites in Redding, California. In addition, SCHC operates satellite primary care clinics in the three other communities in the region, including Shasta Lake, Happy Valley, and Anderson. SCHC's mission is to provide quality health care services to the communities of its service area.

The majority of the patients served by Shasta are classified as low-income. In 2016, Shasta served 32,492 patients, 93 percent of which earned less than 200 percent of the Federal Poverty Level (FPL). Ten percent of Shasta patients were uninsured and 67 percent were Medi-Cal recipients.



Photograph of SCHC former health center facility in Anderson, CA.

Artistic rendering of SCHC's new Anderson facility, currently under construction.



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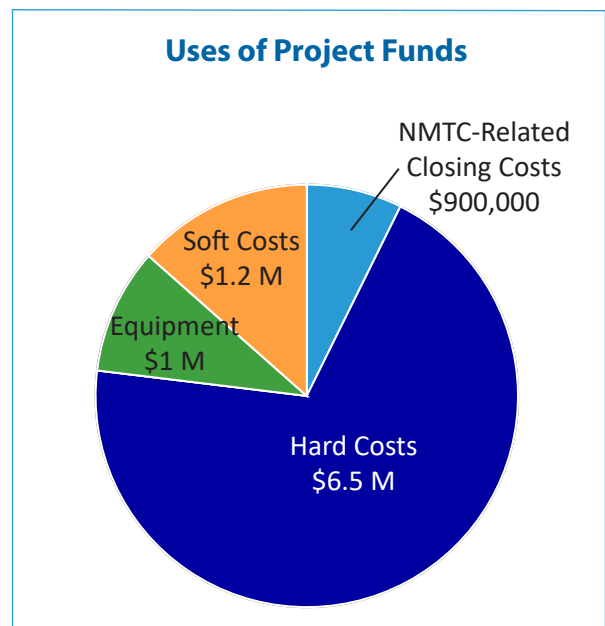
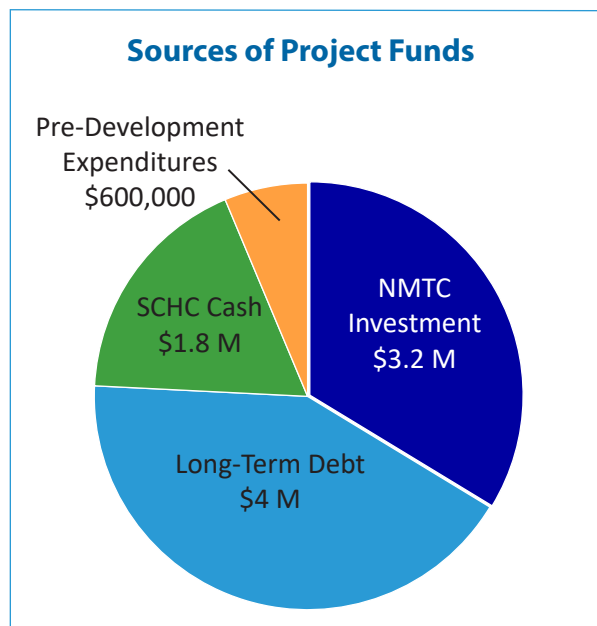
Capital Project Description

In July 2017, SCHC broke ground on a new clinic site which will replace an existing health center facility in Anderson, CA. The small, rural town is located about 10-15 miles south of Redding and has increasingly become more economically distressed due to the loss of large-scale blue collar employers. The demand for primary care for low-income residents of the area is very high, as is the acuity of health issues. SCHC has occupied the current leased building for over 15 years and has been struggling to meet patient demand due to lack of space.

Upon completion in late 2018, the new 16,600 square-foot Anderson Family Health & Dental Center will be nearly double the size of the previous facility, housing twice as many medical clinicians and dental operatories. The new building is designed to better accommodate a patient-centered medical home (PCMH) model of care. The Anderson facility currently serves approximately 3,000 patients. With the new, expanded facility SCHC is projected to serve 6,500 patients by 2023.

Project Financing

SCHC financed the approximately \$9.6 million project utilizing a [New Markets Tax Credit](#) (NMTC) financing structure. Two Community Development Entities provided SCHC with NMTC allocation totaling \$9.5 million and generating a gross equity investment of \$3.2 million. Other sources of funding included SCHC's own cash investment of \$1.8 million. The capital project sources and uses of funds are illustrated below.



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

As illustrated in the table below, the Anderson clinic's overall economic contribution to the local economy in 2016 was \$3 million annually. By 2023, the total economic impact is projected to be just under \$7 million. Additionally, with the expansion of services being offered, the project is also anticipated to create 14 permanent full-time equivalent (FTE) jobs by 2023.

SCHC Anderson Clinic Only	2016 (prior to project start)	2023 (projected)
Number of Patients Served	3,000	6,500
Number of Patient Visits	12,000	25,000
Total Operating Revenue	\$2,100,000	\$4,500,000
Total Expenses	\$1,800,000	\$4,000,000
Permanent Direct Employment	18	32
Total Economic Impact (Direct, Indirect, and Induced)	\$3,000,000	\$7,000,000

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