



Caring Health Center

Springfield, MA

THE PROJECT

To increase access to healthcare in a medically underserved area, Building America CDE provided a \$9 million allocation of New Markets Tax Credits for the expansion of Caring Health Center, a community-based outpatient healthcare provider in Springfield, MA. Currently, Caring Health is the only community health center in the region serving exclusively low-income families, and the healthcare needs of local residents have exceeded the capacity of its existing facilities. Through the \$21.6 million rehabilitation of three historic buildings in downtown Springfield, the project will create 45,000 square feet of new space that will allow for a dramatic expansion of services. The adaptive reuse of these buildings will not only enable Caring Health Center to consolidate and expand its services, but it will also provide a needed boost to the city's deteriorating old downtown. The new facility will be named after Congressman Richard E. Neal in recognition of his health care advocacy in the state.

COMMUNITY IMPACT

Caring Health Center is located in a severely distressed Census tract that is federally designated as a medically underserved area, where only 25% of low-income residents are able to access medical care. The child poverty rate in the city of Springfield is ranked sixth highest in the nation, according to the U.S. Census. The overall poverty rate in Springfield, Massachusetts is 27%, over ten percentage points higher than the national rate. The community was also declared a FEMA disaster area following a June 2010 tornado that compounded the area's redevelopment needs.

The historic rehabilitation of three downtown buildings will enable Caring Health Center to double its capacity to serve medical and dental patients, while eliminating a source of blight and helping stabilize the neighborhood. The existing Main Street clinic will be converted to a Maternal and Child Health Center. A community oriented pharmacy on the first floor will also be available beyond the hours of the health center. Other features at Caring Health Center will include new dental operatories, a wellness center, and a Women, Infants and Children (WIC) supplemental nutrition program. These improvements will allow the health center to serve 14,000 additional patients each year, with 52,000 more medical visits and 15,000 more dental visits.

This redevelopment activity will create an estimated 130 union construction jobs, 85 jobs indirectly related to the project's construction, and 125 new permanent healthcare positions. With its environmentally sustainable design, the project will seek LEED Silver designation.

As a result of the revitalization taking place on Caring Health Center's block, other businesses are beginning to grow in downtown Springfield. Healthcare-related businesses are leasing adjacent retail space, and there are plans to rehabilitate a local theater and make other investments in the community. But for the expansion of the Caring Health Center, these additional investments would not be taking place.

FINANCING

Financing for the \$21.6 million Caring Health Center project includes a combined \$19.5 million in New Markets Tax Credits from Building America and other community development entities (CDEs). Building America allocated \$9 million of credits to the project. The project is also supported by an \$8 million loan guarantee from the Health Resources and Services Administration, the primary federal agency for improving access to healthcare services for people who are uninsured, isolated, or medically vulnerable.

DEVELOPER

The project developer is Caring Health Center (CHC), a community-based outpatient healthcare provider in Springfield. CHC is the only federally designated Community Health Center in Springfield, and it annually serves nearly 14,000 medical and dental patients.

ABOUT BUILDING AMERICA

Building America CDE was established as a subsidiary of the AFL-CIO Housing Investment Trust (HIT) in 2010. The U.S. Treasury Department's CDFI Fund certified Building America as a Community Development Entity, making it eligible to offer federal New Markets Tax Credits to investors. Building America was awarded \$35 million of these tax credits in 2011 and received a second allocation of \$50 million in 2012. Building America's parent company, the HIT, is a fixed-income investment company registered with the Securities and Exchange Commission. It manages \$4.6 billion in assets for over 360 investors, which include union and public employee pension plans. The HIT invests primarily in government and agency insured and guaranteed multifamily mortgage-backed securities. The HIT is one of the earliest and most successful practitioners of socially responsible, economically targeted investing, with a track record of almost 50 years that demonstrates the added value derived from union-friendly investments.