Impact Investing Opportunity – Closed
Community Health Centers Financing Fund
Finance Fund

The Issue
According to a national study conducted in 2008 by the National Association of Community Health Centers, 15% of Americans do not have health insurance, and another 18% are under-insured. These individuals are disproportionately low-income and therefore medically disenfranchised and at risk of serious health problems. The country’s network of 6,300 Community Health Centers currently serve about 5% of the nation’s population, but clearly there is a gap in service capacity for the other 28% of Americans who are not adequately insured or covered by federal programs for low-income families such as Medicaid.

Social Return
Increase availability of health care services for under- and uninsured persons by 25% in four Ohio counties.

Strategy: Equipment and Facilities Loan Fund
Federally qualified Community Health Centers (CHCs) in Ohio play an important role in serving persons who are under- or uninsured. There are 37 CHCs in Ohio, and nearly 90% of them have identified capital needs for equipment and facilities totaling $46MM in order to meet the need and demand anticipated by passage of the Affordable Health Act. Other potential local partners include HealthPath Foundation of Ohio and The Health Foundation of Greater Cincinnati. There are 5-7 Community Health Centers in the four Ohio counties that are part of GCF’s service area (Butler, Clermont, Hamilton and Warren Counties) potentially eligible for this proposed new loan fund.

Intermediary & Fund Manager
Finance Fund was founded in 1987 as a statewide nonprofit intermediary for Ohio to provide financing and support for organizations that assist low- and moderate-income families and communities. Since inception, Finance Fund has invested more than $170 million in housing, economic development and community facility projects resulting in >15,000 units of affordable housing, nearly 12,000 jobs, facilities for 2,600 community-based organizations and more than 3,000 classrooms. Finance Fund is an active investor in 84 of Ohio’s 88 counties. Although Finance Fund is not an expert in health care, it has considerable expertise in serving as intermediary for other important initiatives benefiting low-income families.

Financial Return
Total fund size: $2.0-5.0MM. Deal size: $100,000-150,000. Payback period: 36-60 months. Target growth rates for companies: 10-15%. Target rate of return for charitable investors: 1-4%.

Investment Opportunity
The Greater Cincinnati Foundation will invest $500,000 for a 2% charitable return in a new health care equipment and facilities loan fund. Payments will be interest-only for the term of the loan followed by a balloon payment. Donor advised funds will be invited to participate in $10,000 increments.