

PROJECT PROFILE

Project:	Watts Healthcare Corporation
Location:	Los Angeles, California
Service Area:	Watts and South Los Angeles
Financing Type:	Acquisition Financing
QEI Amount:	\$5,300,000
Financing Partners:	NCB Capital Impact NCB - Leveraged Lender U.S. Bancorp Community Development Corporation - Equity Investor

Projected Impact: Watts Health Care Corporation (WHCC), incorporated in 2002, is a non-profit community health center dedicated to providing preventive, medical, dental and substance abuse treatment services to low-income and uninsured residents of the Los Angeles area. WHCC's programs have been nationally recognized for their outstanding quality and for their comprehensiveness with both primary and specialty medical and dental services provided at the main site in Watts, augmented with critical enabling services such as medical translation, patient transportation and patient education programs. The provision of vision care, podiatry, physical therapy, mammography and other radiology services on site makes WHCC unique among its peers.

The purchase of the facility will allow WHCC to establish a permanent role in the community and enhance the services it provides to the area's low-income residents.

WHCC's increased financial strength as a result of this deal will allow the organization to continue to serve more than 21,000 patients each year at its two locations: The Watts Health Center – its main primary care site on South Compton Avenue, and The House of Uhuru – a licensed, 66-bed substance abuse treatment center on South Figueroa Street. WHCC is now one of the most significant community health centers serving south Los Angeles's poorest residents.

THE DEAL

This financing was possible through the NMTC program and three key organizations coming together with funds and expertise: NCB Capital Impact, the largest lender to community health centers nationwide; NCB, the premier cooperative bank; and U.S. Bancorp Community Development Corporation, the largest volume equity investor in NMTCs.

As part of the deal, WHCC is structured to receive the benefit of \$1.3 million in NMTC equity after seven years, further securing the financial health of the organization.

THE PATIENTS

WHCC provides primary health care and emergency services to approximately 21,771 patients and conducts over 96,000 patient visits. Nearly two-thirds of patients served are female and over 80 percent live below 200% of the Federal Poverty Line. Both facilities are located in enterprise zones with poverty rates in excess of 30 percent.

"The financing that we received from NCB Capital Impact has brought ownership of two historic health care facilities to our community. The future of the vital health care programs housed in these facilities is much more secure as a result of this tremendously important deal. The objectives that Congress set for the New Market Tax Credits program were certainly realized with this loan. We are grateful for the professional and expeditious manner in which NCB Capital Impact and U.S. Bancorp Community Development Corporation managed this business transaction."

- William D. Hobson, Jr., President and CEO of Watts Health Care Corporation