

Brandywine Health & Housing Center
Project Summary
April 11, 2007

The Brandywine Health Foundation (“the foundation”) is a charitable public foundation, formed from the sale of Brandywine Hospital to a private company, Community Health Systems, in 2001. Since the foundation’s inception, it has given over \$3.6 million in grants to non-profits improving the health of the residents of central and western Chester County. The focus has been primarily on strengthening the safety net of health providers in the area serving those with little or no health insurance. The Brandywine Health Foundation’s goal through the development of the Brandywine Health & Housing Center is to bring needed health services for the poor in a rapidly developing but still high need area: central, western, and southwestern Chester County.

Project Background

To address the health needs of the thousands of predominantly poor and minority residents of the City of Coatesville, neighboring municipalities such as South Coatesville and Modena, and low income residents throughout western and southwestern Chester County, the foundation provided a three-year \$1 million grant to enable the establishment of a Federally Qualified Health Center (FQHC) in the heart of Coatesville last year. Because the business of health care is so complex, the foundation brought an experienced FQHC to Coatesville, rather than starting from scratch. That provider, ChesPenn Health Services, has operated in the City of Chester for over thirty years and is a well regarded provider of health services for the poor. Last summer, ChesPenn opened a temporary satellite site in Coatesville with the support of a variety of foundations including the Chester County Community Foundation and the Philadelphia Foundation, area businesses such as Independence Blue Cross, Willow Financial Bank and Gallagher Belmont Services, Inc., and several generous individuals.

ChesPenn serves as the only primary care provider for low income men, women and children in western Chester County, providing a range of adult and pediatric services including prenatal care and the management of chronic diseases such as heart disease, asthma and diabetes - prevalent in the area’s minority populations. The management of these diseases in particular can help low income residents live healthier, longer lives, and can reduce expensive emergency room visits that are straining our community’s health care system. Low income patients of every insurance status, including those on Medical Assistance, Medicare, the Children’s Health Insurance Program (CHIP) and the uninsured can receive care at ChesPenn.

At the same time, the foundation has helped to launch a new dental center for the poor in Coatesville, the Chester County Community Dental Center, and has partnered with the Chester County Department of Mental Health and Mental Retardation to bring an experienced behavioral health provider to each of the Coatesville Area School District’s public schools, the Child Guidance Resource Center (CGRC). CGRC is now the principal provider of behavioral health services for children and adolescents in Chester County.

We know that there is a need for these agencies because they have provided services to more than 2,000 local residents since they opened their doors within the last two years. In order to ensure that they are able to serve western Chester County for years to come, we are now building them a permanent home in the 700 block of East Lincoln Highway, a 48,515 square foot, four-story building. The building will also have 24 units of affordable senior housing. There are over 300 senior citizens on the county's waiting list for low-income housing. Meeting that need and building a permanent home for these agencies in a visible location on the main street through Coatesville will not only help to ensure these agencies' long-term viability, but also increase access to their services, as well as the behavioral health services to be located on the fourth floor.

Project Structure and Financing

In order to develop the housing on the second and third floors of the building, and secure as much in county, state and federal financing for the project as possible, the foundation has established a general partnership, the Brandywine Housing & Health Center, Inc. Funds secured for these housing floors are through federal low income housing tax credits awarded by the Pennsylvania Housing Finance Agency, to be purchased by PNC Financial Services, Inc., as well as grants from the Federal Home Loan Bank (\$300,000), the Chester County Department of Community Development (\$1,500,000), and the Commonwealth's Department of Community and Economic Development (\$800,000).

In addition, the Coatesville Health Development Corporation (CHDC), a new, independent Pennsylvania incorporated non-profit entity, was created to secure financing for the commercial floors of the building at significantly below-market rates. This financing includes \$3 million from the United States Department of Agriculture at a rate of 4.5% over 40 years, and the USDA's securitization of a 30-year, 6% loan of \$1.5 million from the Community Lenders Community Development Corporation. The attached budget describes all costs, as well as funding sources.

It has been the foundation's goal to minimize the amount of charitable private fundraising required for the building, using the foundation's assets to leverage as much in public financing as possible. **The remaining gap is \$1,504,784, of which \$1,200,033 has been raised including a \$500,000 challenge grant from one of the foundation's board members, William Kay and his wife, Brit. We must raise the last \$304,751 as soon as possible in order to complete construction of the new and greatly needed Brandywine Health & Housing Center.** We seek to raise the remaining funds from charitable foundations, businesses and individuals during the next several months, and to enable businesses to take advantage of the Commonwealth's Neighborhood Assistance Program in making contributions to the Capital Campaign.

Building Progress to Date

All ten properties on the 700 block, including a parking lot across the street needed to meet parking requirements, were purchased by the Brandywine Health & Housing LP, a limited partnership established by the Brandywine Health & Housing Center, Inc. with the Brandywine Health Foundation (as the placeholder for PNC, which will be the financial investor for the low income housing tax credits) to develop the project. These properties included two parking lots owned by the City of Coatesville Redevelopment Authority, which agreed to sell each to the partnership for \$1. All land approvals have been secured from the City of Coatesville, demolition of the existing properties is complete, and Caldwell, Heckles and Egan (CHE) has begun

construction on the site as of January 23, 2007. Completion is expected by February 22, 2008, just thirteen months from the construction start.

The Cansler Investment Group, Inc. (CIG) has been hired by the foundation to carry out the bulk of the development tasks, as well as the management of the property once it is complete. The architect is Bruce Weinstein of Architectural Concepts, an Exton firm experienced in the design of quality low income housing as well as commercial properties.

Building Description

Inside the building, the medical and dental facility will be located on the first floor of the four-story building, exceeding 11,000 square feet, and will include seven pediatric examination rooms, seven adult examination rooms, two triage stations, a conference room, central reception area, eight dental treatment areas, laboratory and medical records storage room, a sixty-patient waiting room, and three private offices for physicians and dentists.

The second and third stories of the building will contain a total of 24 one-bedroom apartments for low-income seniors, a computer room, central laundry, management office, and exterior balcony for residential use. There will also be a community room for residents to use for social and recreational events.

The fourth floor will house two behavioral health agencies (Human Services, and the Child Guidance Resource Center), and will have a large conference room with an outdoor terrace and a small catering kitchen. There will be forty off-street parking spaces, a separate entrance and lobby for senior residents with video surveillance equipment so that residents may view visitors in the lobby through a special cable TV station on their televisions. The medical, dental and behavioral health services will be targeted to the uninsured and underinsured residents of Chester County; the residential units will be targeted to seniors age 62 and older who are in the 30 to 60% area median income levels.

Summary

The Brandywine Health & Housing Center represents the first major construction in the heart of Coatesville in over thirty years, a once-in-a-generation opportunity to positively impact the health of those living in this struggling but promising community in a very concrete way. It is our hope and belief that there are many generous individuals, foundations, and businesses eager to accomplish the several goals this project will meet:

- Aid in the economic development of the City of Coatesville;
- Improve the health of the residents central, western, and southwestern Chester County; and
- Increase the availability of affordable housing for Chester County's low income seniors.

For more information about the Brandywine Health Foundation's "Closing the Gap" Campaign, please visit www.brandywinefoundation.org, or contact Dana Heiman, Vice President for Development & Communications, at dheiman@brandywinefoundation.org, or by calling 610-380-9080 x102.