

# HHS Office of Climate Change and Health Equity Inflation Reduction Act (IRA) Case Study

**Organization name:** San Fernando Community Hospital (San Fernando Community Health Center or SFCHC)

**Organization tax status:** Tax-exempt not-for-profit

**Facility name:** San Fernando Community Health Center

**Facility location:** San Fernando, California

**Brief description of facility:** SFCHC is a Federally Qualified Health Center (FQHC) serving the Northeast San Fernando Valley area of Los Angeles County, CA. Between mid-July 2023 and 2024, SFCHC served 8,263 unique patients, 62% of whom identified as Latino and 85% of whom fell below 200% of the federal poverty level.

Designated by CMS as a FQHC in 2015, the health center is a 17,128 sq. ft. state-of-the-art primary care center within a 28,000+ sq. ft facility, offering primary medical care, including OB/GYN, internal medicine, family medicine and pediatrics, as well as a full-scope dental department and behavioral health care, including licensed clinical social workers, marriage and family therapists, clinical psychologists and psychiatrist. SFCHC also has a robust Health Education Department which includes a unique Diabetes Teaching Kitchen that offers hands-on cooking classes.



SAN FERNANDO COMMUNITY  
HEALTH CENTER



(front row to back row, left to right) Louise McCarthy, Community Clinic Association of L.A. County President & CEO; Audrey Simons, SFCHC CEO; Honorable Celeste Rodriguez, City of San Fernando Mayor; Mary Mendoza, City of San Fernando Vice Mayor; Victoria Garcia, City of San Fernando Councilmember; Andrew MacCalla, Collective Energy Co. Co-Founder & CEO; Jeremy Price, GRID Alternatives Installation Basic Training Graduate; Stella Ursua, GRID Alternatives Director of Community Engagement & Partnerships.

Photos by: [Photography By Zarek](#)

## The Project

### **Brief description of project partially financed by the IRA:**

The 247-panel, \$298,000 solar installation is estimated to produce 169,100 kilowatt-hours of electricity annually, providing 60% of the clinic's energy and eliminating 130 tons of carbon dioxide emissions annually. This is the equivalent of 302,000 vehicle miles driven, or the carbon sequestered by 138 acres of forest every year.



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## **IRA funding mechanism(s):**

Investment Tax Credit for Energy Property with an Energy Community Bonus Credit and a potential Category 4 Low-Income Communities Bonus Credit (application pending)

## **Other financing mechanisms used:**

The solar project was developed and financed by a social benefit microgrid developer called Collective Energy Company at no upfront cost to the clinic through an energy services agreement (ESA). Through the ESA, the developer pays for all project development and construction costs, initially owns the project, and handles all the operations, monitoring, and maintenance of the system. At project completion, the developer is able to use an IRA provision called transferability to transfer the value of the Investment Tax Credit to a third-party buyer in exchange for cash.

Collecting the Investment Tax Credit transfer allowed Collective Energy to offer SFCHC the opportunity to “lease to own” the system at an accelerated timeline of 15 years, and SFCHC also has the option to buy the system outright after 5 years. SFCHC will provide monthly payments to Collective Energy that are slightly below the cost of their current electric bills for 15 years, after which, SFCHC will own the system unless purchased sooner.

Collective Energy is a partner in the Community Health Access to Resilient Green Energy (CHARGE) Partnership, which helps federally qualified health centers transition to clean, affordable and reliable energy. Other partners include Health Resources and Services Administration National Training and Technical Assistance Partners: the National Association of Community Health Centers and Capital Link.

## **Projected benefits of the project:**

The solar installation will support the clinic’s mission to provide comprehensive, compassionate healthcare to the most vulnerable and underserved, while reducing its carbon footprint and promoting sustainable practices. Survey data shows that staff at health centers report more positive feelings about their workplace, and are more easily retained and recruited to a health center/building that is a clean energy generator. From the positive anecdotal feedback received from patients, SFCHC believes that this project also helps patients feel better about where they go for their care.

## **Role of community partnerships in the project:**

This project was made possible by the support of the City of San Fernando. The City of San Fernando owns the building whose Master Lease is held by SFCHC. The City’s immediate support was key to establish the project’s feasibility, and was important to secure SFCHC’s Board of Directors’ approval to move forward.

## **Advice and Guidance**

### **What influenced your organization’s decision to pursue this project?**

Sustainability is a major goal for us, particularly given the health impacts of climate change. As an FQHC, our revenue streams are mandated by state and federal regulations, so renewable energy is an important way for us to control costs and thereby make funds available for other, needed investments.



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## **How did the IRA affect your decision-making about this project?**

Without the 40% Investment Tax Credit and new transferability mechanism, this project simply would not have penciled out financially. Because of it, Collective Energy could keep our ESA payments just below our current utility rate, and lock in that rate for the next 15 years rather than rely on utility rate increases.

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## **Looking back, is there anything you wish you had known when you were starting to consider this project?**

Our project was such a great collaboration between Collective Energy and their partners that it actually had no downside for SFCHC. For other FQHC's that do not own their buildings, I would say, having a good relationship with building ownership allows both entities to see this type of project as a "win" for the environment and themselves.

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## **What advice would you give someone pitching a similar project to their leadership or board?**

Be prepared to answer questions from those on your board who are hesitant about such a long-term commitment. Have your data in hand to talk about the cost savings as well as the impact to the community of knowing that their health center will be able to stay open during an emergency. Work with a trusted developer that has demonstrated their understanding of what makes a community clinic critical to their patients and the community they serve.

You can contact San Fernando Community Health Center by emailing Audrey L. Simons, CEO, at [asimons@sfchealthcenter.org](mailto:asimons@sfchealthcenter.org).

For more information on the Investment Tax Credit and other IRA opportunities, please visit the [Quickfinder for Leveraging the Inflation Reduction Act for the Health Sector](#).

