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The Desert Sun

Jan. 10, 2014 | [3 Comments](#)

## Desert Hot Springs to use nonprofit status to operate community center



Residents attend a health fair held by the Borrego Community Health Foundation at the Desert Hot Springs Community Health and Wellness Center in October. / Omar Ornelas/The Desert Sun

**DESERT HOT SPRINGS** — City leaders are planning to use a nonprofit group to help finance the Health and Wellness Center after cutting funding to one of its major service providers, the Boys & Girls Clubs of Coachella Valley.

The IRS has approved the nonprofit status of the Health and Wellness Foundation, a group formed by the city with help from the Desert Healthcare District more than two years ago, said Amy Aguer, the city's finance director.

City leaders now want to use the foundation's nonprofit status to raise money to fund the building's operation, which, depending on negotiations, may or may not include the Boys & Girls Club.



"We are not closing down the center ....Whether the Boys & Girls Club will stay, that is up to them," said Mayor Adam Sanchez, adding that the city can no longer afford to subsidize the club.

The center is the most successful social service enterprise launched in the cash-strapped city, serving hundreds of low-income families via the Boy & Girls Clubs of Coachella Valley and the Desert Healthcare District.

Workout equipment at the Desert Hot Springs Health and Wellness center, Wednesday, January 8, 2013. Jay Calderon/The Desert Sun

The Boys & Girls Club uses part of the 32,000-square-foot building to provide activities for local youth, such as recreation and gang intervention programs.

In the other part, the Desert Healthcare District, which helped fund the facility's construction, operates a health center that includes dental stations and medical exam rooms for physicals and "teen confidential services," according to the center's website.

While the district's Borrego Health Care Center pays its own lease, the city subsidized the Boys & Girls Club's lease by \$250,000 a year.

After declaring a fiscal emergency in December, the City Council voted unanimously to terminate this lease agreement and directed staff to renegotiate a new contract with the Boys & Girls Club.

**In total, the city spends more than \$950,000 a year to operate the center.**

Jim Ducatte, CEO of the Boys & Girls Clubs of Coachella Valley Foundation, said recently that the club came to Desert Hot Springs after being asked by the city and incentivized.

**"The club costs \$420,000 a year," Ducatte said. "We simply cannot afford to operate the club without assistance from the city."**

About 20 residents gathered before the City Council on Tuesday after the club funding was cut.

“We just got this amazing place and the (staff) have been so helpful,” Anna Serrano, 17, told the council. “By taking this beautiful place away from us will be like telling us we are not good enough to be there because we did something wrong.”

Councilman Joe McKee reiterated there is no plan to shut it down.

“That would be dumb in a number of directions, not only for the future of our children but also in paying back a lot of money,” he said.

There are strings attached to the money used to build the center. The city had to form a Health and Wellness Foundation to qualify for a series of grants and earmarked funds.

Cost of construction was about \$18 million. Part of the funding, \$4.3 million, came in the form of a federal New Market Tax Credit grant. This grant program “was established by Congress in 2000 to spur new or increased investments into operating businesses and real estate projects located in low-income communities,” according to the Treasury Department.

The center needs to remain in operation for seven years, said Rudy Acosta, the city’s redevelopment director. Otherwise, the foundation/city will have to repay the grant.

Regardless of the Boys & Girls Clubs’ use of the center, Adams said city leaders are planning to utilize the building and change “the overall image of Desert Hot Springs.”

Sanchez said he plans to announce a health and wellness initiative on Jan. 21 that will be geared toward developing a general plan for the health of the whole city.

By next year, Adams said he is expecting to fully launch the program that will not only include youth services, but will also add affordable child care and job training services out of the center.