

C8E HRSA Capital Grant Opportunity
Webinar Series

SESSION 1

May 14, 2021

**Overview and Strategy for Picking Priority
Projects**

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1. Overview of ARP Capital Funding Opportunity
2. Capital Needs and a Strategic Approach to Project Selection
3. Upcoming Trainings and Additional Resources
4. Q&A

Our Vision

Stronger health centers, actively building healthy communities

Our Mission

Capital Link works to strengthen community health centers—financially and operationally—in a rapidly changing marketplace. We help health centers:



Plan for health center sustainability and growth



Help health centers access capital



Improve and optimize health center operations and financial management



Articulate health center value

America's Voice for Community Health Care

The National Association of Community Health Centers (NACHC) was founded in 1971 to promote efficient, high quality, comprehensive health care that is accessible, culturally and linguistically competent, community directed, and patient centered for all.



FY21 ARP – Health Center Construction & Capital Improvements Opportunity



Background

- Plan, prepare for, promote, distribute, administer, and track COVID–19 vaccines, and carry out other vaccine-related activities.
- Detect, diagnose, trace, and monitor COVID–19 infections and related activities necessary to mitigate the spread of COVID–19, including activities related to, and equipment or supplies purchased for, testing, contact tracing, surveillance, mitigation, and treatment of COVID-19.
- Purchase equipment and supplies to conduct mobile testing or vaccinations for COVID-19, purchase and maintain mobile vehicles and equipment to conduct such testing or vaccinations, and hire and train laboratory personnel and other staff to conduct such mobile testing or vaccinations, particularly in medically underserved areas.
- Establish, expand, and sustain the health care workforce to prevent, prepare for, and respond to COVID–19, and to carry out other health work force-related activities.
- Modify, enhance, and expand health care services and infrastructure.
- Conduct community outreach and education activities related to COVID–19.
- Now accepting applications (as of May 7, 2021)
- Applications may be submitted until **11:59pm on June 24, 2021**
- **Non-competitive grant**

FY21 ARP – Health Center Construction & Capital Improvements Opportunity



Eligibility

- Existing + active health center
- Receiving Health Center Program operational support (H80 funding) under Sections 330(e), (g), and/or (i) at the time of application *and* the time of award

Uses

- Supporting construction, expansion, alteration, renovation, and other capital improvements to modify, enhance, and expand health care infrastructure.

Am I NOT eligible?

You are NOT eligible to receive this funding if you have one or more of the following characteristics at the time of award:

Five or more Health Center Program requirement area conditions that are in the 60-day phase of Progressive Action.

One or more Health Center Program requirement area condition(s) that are in the 30-day phase of Progressive Action.

Funding Opportunity Information

HRSA will provide funding in the form of a grant. The amount of funding awarded to each recipient will be determined according to the following formula:

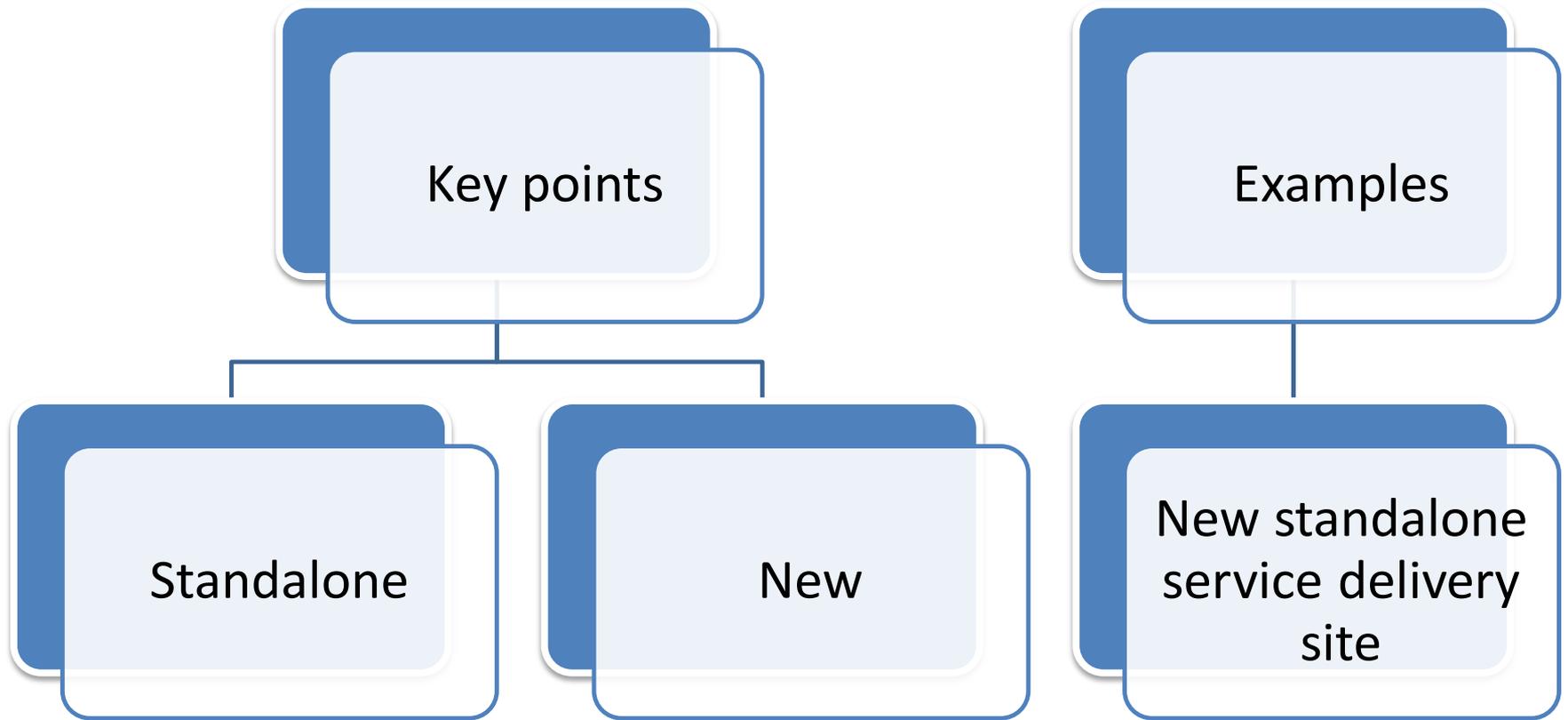
- **\$500,000 base amount, plus \$11 per patient** as reported in 2019 UDS.

Funding Opportunity Information

You may submit **one** application to request funding to support one or more of the following project types, for **up to five (5) total projects**:

- **Construction of a New Facility.**
- **Construction/Expansion (C/E) of Existing Facility**
- **Alteration/Renovation (A/R) of Existing Facility**
- **Equipment Only**

Construction of New Facilities



C/E of an Existing Facility



Key points

- Adds square footage
- Significant work
- Existing facility

Examples

- New pharmacy wing
- Covered driveway
- Prefabricated building installation

A/R of an Existing Facility



Key points

- No increased square footage
- Existing facility



Examples

- Upgrading facility interior
- Reconfiguration
- HVAC
- Improving accessibility (i.e. ramps)

Equipment Only

Key points

- Moveable
- No structural changes needed
- Usage > 1 year
- Can include > 1 site address receiving only equipment items

Examples

- New clinical equipment
- Purchase of a mobile medical van

How Can Health Centers Use C&E?

Consider projects that modify, enhance, and expand health care infrastructure

Otherwise advance broader operational objectives of your health center



Other Key Points



REMEMBER: 3 Year Period of Performance from award date (9/1/21 – 8/31/24)



Any scope of project changes **MUST** be done through a separate change in scope request



Construction related activity related to your project **NOT** permitted prior to award date



However, pre-construction costs are permitted, dating back to January 31, 2020

Architects
Consultants
Planning/design



You **MUST** provide info to ensure compliance with environmental and historical preservation requirements prior to commencing work. [See here.](#)



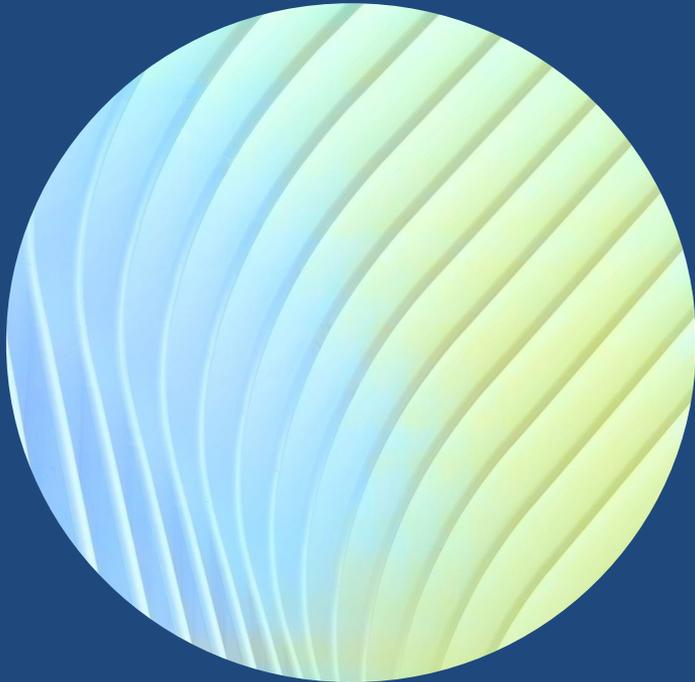
Other Key Points

Leased Facilities: You may use ARP-Capital funding at a leased site. However, you may not use ARP-Capital funds to address facility needs that are part of the terms of the lease (i.e., the obligation of the lessor). If you propose a project for a leased facility, you must attach a signed Landlord Letter of Consent (LLOC) from the facility owner in the Other Requirements for Sites form.

Notice of Federal Interest: Depending on the scope of work, the **owner of the property may be required to consent and file an NFI**. Your Notice of Award will indicate if an NFI is applicable.

If an NFI is required, the award recipient must submit the NFI after the award of the grant, but prior to initiating physical work on the project.

C8E & H8F Differences



Both ARP C8E (Capital Improvements) and H8F funding will allow for health centers to make **minor alterations or renovations** to the health center

However, there are several differences between C8E and H8F Funding

C8E

- No limit of project costs
- Exterior expansion work permitted
- May use maximum funding formula amount for activities
- **Cannot use H8F funding for ARP-capital**

H8F

- Per site project cost cannot be \$500,000 or greater
- New construction activities/additions/expansions not allowed
- Can use up to \$500,000 of H8F funds for minor A/R
- **Cannot use C8E funding for H8F minor A/R projects**

What's NOT allowed under the C8E opportunity?

EHR
initiation/operations/maintenance

Health center operating costs,
rent, mortgage, refinanced credit
facilities

Construction related activities
associated w/projects that start
before the award date

Creation of shell space for future
use

Facility, land, or passenger vehicle
purchases other than mobile
medical vans

Costs for staff not directly related
to implementation of the
proposed project(s)

Creating/improving space for uses
inconsistent with the Health
Center Program

NACHC Support for C8E Funding Opportunity

Factsheet on
Capital Funding

June 2021
NACHC Finance
Office Hours.

Technical Assistance

Program and EHB-related Questions?

- [BPHC Contact Form](#)
- (877) 464-4772

Business, Admin, Fiscal Issues?

- Grants Management Specialist Dave Colwander
dcolwander@hrsa.gov
- (301) 443-7858

Capital Needs and a Strategic Approach to Project Selection

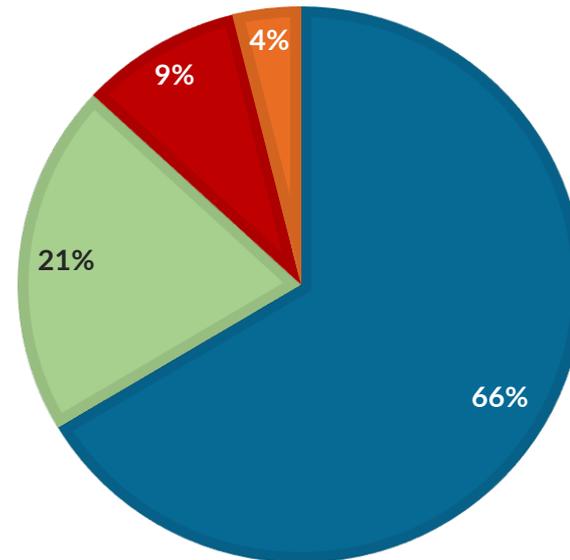
Current Capital Projects Identified by Health Centers

Capital Link’s recent Capital Needs Assessment indicated health center have ~2,000 planned capital projects anticipated over the next three years

97% of respondents indicated they had at least one planned project:

- **66%** had one project
- **21%** had two projects
- **9%** had three projects
- **4%** had four projects

NUMBER OF ANTICIPATED CAPITAL PROJECTS PER HEALTH CENTER

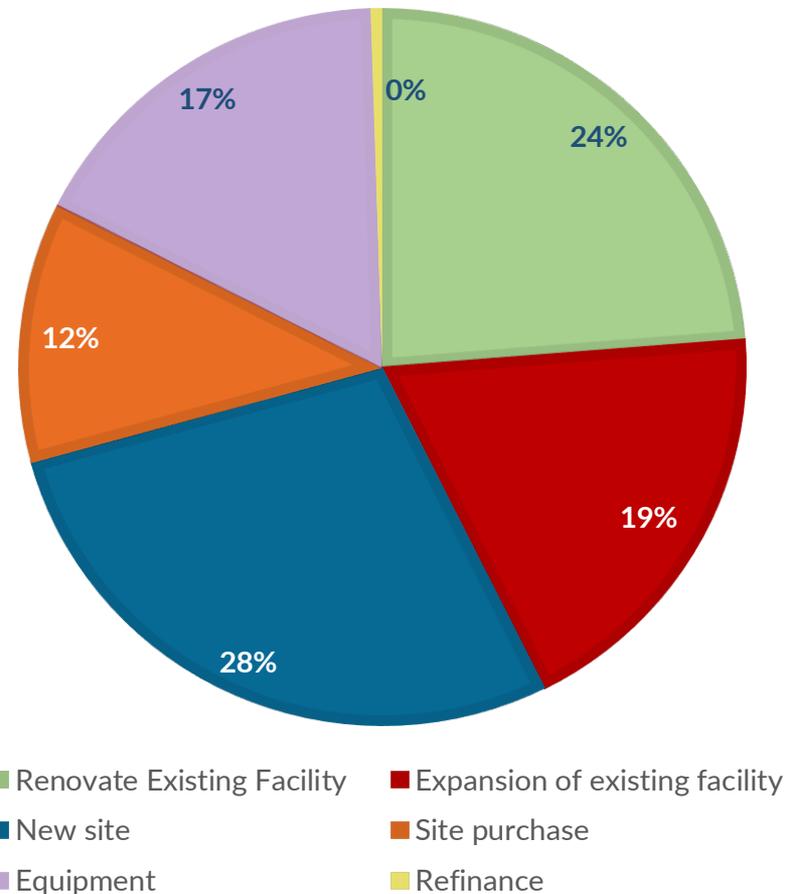


■ At least one project ■ Two Projects ■ Three Projects ■ Four Projects

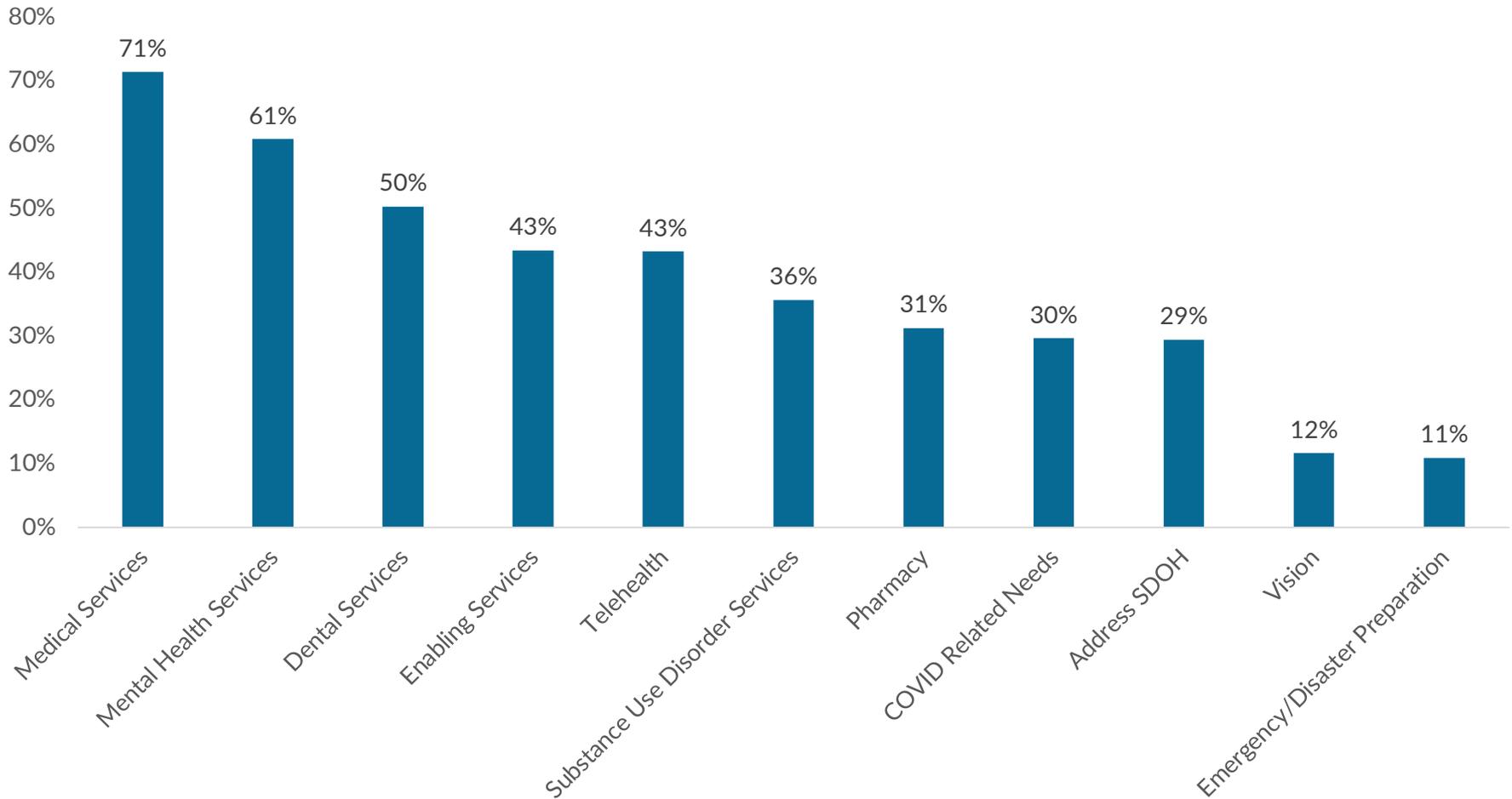
Eligible Project Types

- These types of projects are all eligible for C8E funding EXCEPT
 - Site Purchase
 - Refinance

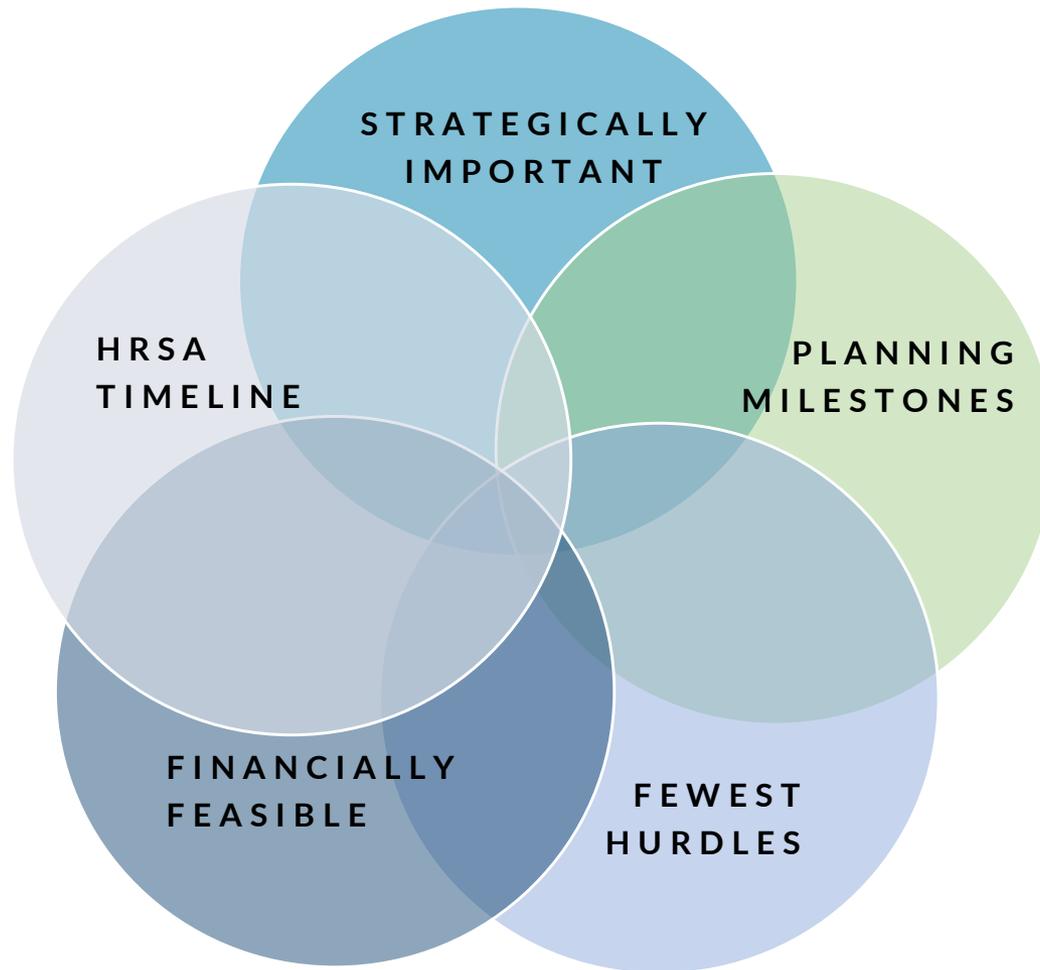
FQHC NEAR-TERM CAPITAL NEEDS



PREVALENCE OF IDENTIFIED SERVICE NEEDS FOR CAPITAL PROJECTS



Choose Your Project(s) Carefully!



Projects that:

- ✓ Incorporate needs (current and continuing) related to operational and clinical pandemic challenges
- ✓ Projects that were put on hold because of the pandemic
- ✓ Projects to better accommodate (recruit/retain) staff
- ✓ Projects to better attract patients
- ✓ Projects that accommodate new programs or collaborations with others



- What project(s) are farthest along from a planning perspective:
 - Site control?
 - Site plan and initial approvals?
 - Schematic – or even construction – drawings?
 - EID checklist?
 - Solid budget estimates for construction and/or equipment?



Which Projects Have the Most/Fewest Hurdles?

- Can these hurdles be overcome?
 - Leasehold improvements
 - Landlord letter of consent and willingness to file NOFI?
 - Permitting or local approvals issues?
 - Environmental issues?
 - Impact of potential grant conditions on project timing

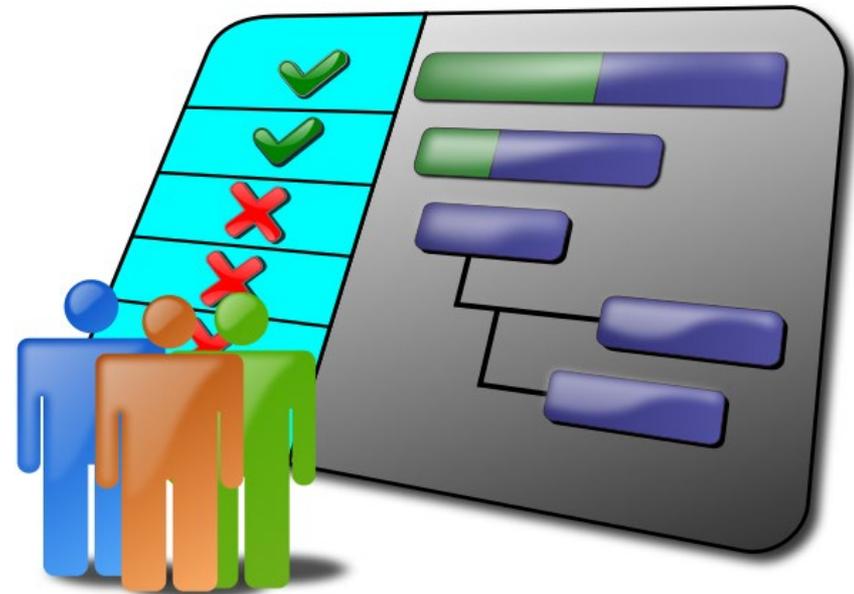


- What projects can be managed financially?

- Do you have the balance of funds needed for the project available now?
- Do you have other grant opportunities and/or the ability to take on debt?
- Have you explored financing alternatives to augment HRSA funds?
 - CDFIs, NMTC, HRSA LGP, USDA, banks
- Consider the value of leveraging the HRSA resources
- Do you have a sustainability plan?



- Timeline issues:
 - Have you established a reasonable timeline for the project?
 - Does it align with HRSA's timeline?
 - Have you already started construction on the project?
 - How flexible is your start date?
 - Can you complete the project within the three-year project period?



Weighing the Pros and Cons



Additional Assistance Is Available!

Upcoming Capital Link Webinars on C8E Application Topics:

1. **Working with Your Architect (in a Hurry): Site Design, Schematics, EID**
On-demand recording available on our website [here](#) by 5/21/21
2. **Project Budget, Timeline, NOFI, Oh My!**
May 27, 2021, 3:30 – 4:30 pm ET
[Register Here](#)
3. **Where Will the Balance of Your Project Funding Come From? Developing Your Sources and Uses of Funds**
June 3, 2021 3:30 – 4:30 pm ET
[Register Here](#)
4. **NACHC Finance Office Hour**
June 11, 2021, 3:00 – 4:00 pm ET

All registration links can be found [here](#).

For individual assistance, please contact:

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- [HRSA Application Materials](#)
- [Capital Link Website](#)
 - [Capital Planning Tools](#)
 - [Webinars on numerous topics related to capital planning and financing](#)
 - [Webinar: Design & Development: Assembling and Managing a Project Team](#)
- [Health Center Design Resources](#)

Questions?



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