



Match & Project Feasibility Capital Impact Partners

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Meet Our Team



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Overview

- Types of Capital Sources
 - Federal Government Resources
 - Tax Exempt Bond Financing
 - State Government Resources
 - Homekey (California HCD)
 - HOME-ARP Funds
 - Investment & Debt Sources
- Using Braided Funding Streams
- Defining & differentiating: *Braiding & Blending*
- Detailing Operation & Service Funding Streams
 - Medicaid 1115 Waiver
 - CalAIM
 - American Rescue Plan Act (ARPA)
 - Assisted Living Waiver

Types of Capital Sources

Two types of capital – equity and debt. Various sources available to blend the “capital stack”.



Government

Federal, state, local

BHCIP and CCE
CA HCD and HMFA
CA HFA
U.S. HUD
USDA – Rural Development
Local general funds
Tax exempt bonds



Private and community investors

Banks, CDFIs, investors

New Market Tax Credits
Low income Housing Tax Credit
Mission focused loans



Foundations

Corporate, independent, community

CA Healthcare Foundation
CA Wellness Foundation
Cal Endowment
Hilton Foundation
United Health Care



Equity

Cash
Capital Campaign
Donations

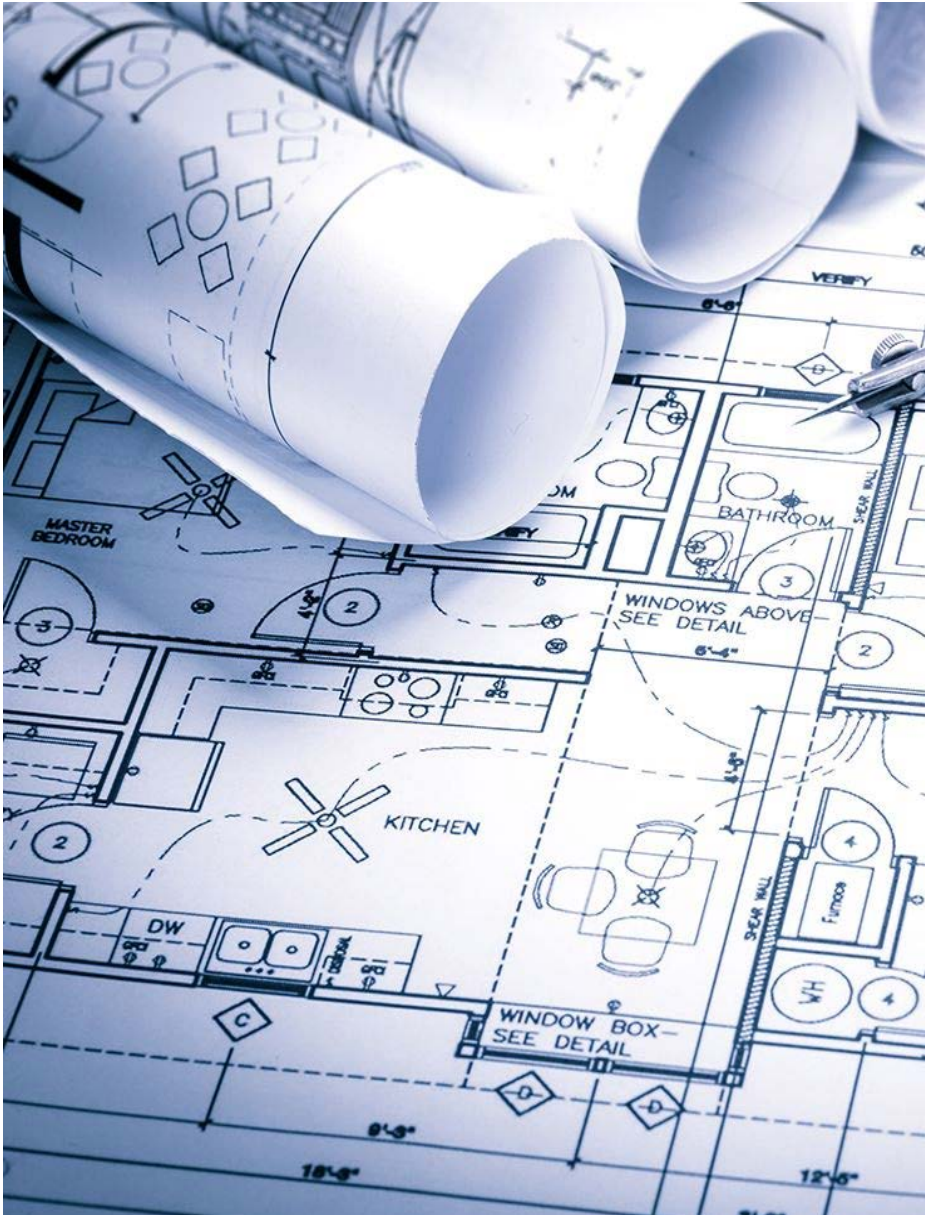
Government Resources – Federal

USDA Community Facilities Direct Loan & Grant

- Purchase, construct, and/or improve essential community facilities
- Purchase equipment and related project expenses.

Community Development Block Grant (CDBG)

- State and Local jurisdiction and focus
- Economic development
- Improvement of community facilities and infrastructure
- Neighborhood revitalization, and
- Public services



Tax-Exempt Bond Financing



- Strong health facilities solid credit and a clear ability to service debt
- Form of long-term debt financing used for institutional facilities construction (e.g. schools, hospitals, health centers).
- Authorized by federal, state or municipal law and issued by a qualified agency such as a local school district or a health authority.

Government Resources - State

CA Housing and Community Development

- Community Development Block Grants
- HOME
 - HOME ARP
 - Project HomeKey
- CA Health Care Facility Financing
- CA Mental Health Act
- Tax Exempt Bonds



Homekey (CA HCD)

- ARPA Funds - \$1.45B released on September 9, 2021 NOFA Availability is at <https://homekey.hcd.ca.gov/>
- The application will be available September 30, 2021 and due by Monday, May 2, 2022 at 11:59 p.m. PST, or until the available funds are exhausted, whichever occurs first.
- Another round of funding for HomeKey may be announced in 2022



Recommended Use:

- Acquire hotels/motels and other buildings and facilities to convert to permanent supportive housing
- Focus: housing that can be used as interim housing with eventual ability to convert to permanent housing, or for interim housing with a focus on supporting people to exit to permanent housing.

HOME – ARP Funds

- CA received \$155 million in [HOME-ARP resources](#)
 - California HOME Participating Jurisdictions (cities and counties) received allocations of more than \$512 million
- Four eligible activities:
 - Production or Preservation of Affordable Housing
 - Tenant-Based Rental Assistance (TBRA)
 - Supportive Services, including services focused on homeless prevention services, and housing counseling.
 - Purchase and Development of Non-Congregate Shelter

Funds must be obligated by 9/30/25 and expended by 9/30/30



Investment and Debt Sources



Community Development Financial Institutions (CDFIs)

Mission/Impact focus
Customized, flexible capital

Bay's Future Fund



Mission/Impact Investors

Private investors and fund
managers
Seeking return on investment
Mission focused outcomes

New Market Tax Credit
Low income Housing Tax Credit



Program Related Investments (PRI)

Foundations

Driven by outcomes

Using Braided Funding Streams

- “DHCS also is keenly aware of the importance of the multiple, largely public funding streams that finance public behavioral health services and the need to braid funding for the best use of federal, state, and local funds and to avoid duplication.
- These multiple funding sources include, but are not limited to:
 - Federal Medicaid funding,
 - the Mental Health Services Act (MHSA),
 - federal block grant funds from SAMHSA,
 - funding allocations from 1991 and 2011 realignment,
 - and one-time federal resources such as State Opioid Response and American Rescue Plan Act grant funding.
- Other funding streams include state general funds, local funding, grants, and payments from commercial insurers.”

"Braiding" and "Blending"

Braided Funding

- A braided funding strategy supports coordinated multi-agency funding, but keeps different funding streams in separate and distinguishable strands, so each can be tracked at the administrative level.
- This strategy allows resources to be closely tracked and accounted for by each contributing agency. An Administrative Services Organization (ASO) or other coordinating entity could assume responsibility for tracking funds' movement and allocation.

Blended Funding

- A blended funding approach combines money from different sources into a single pool, making one dollar indistinguishable from another.
- This approach minimizes administrative work at the back end and maximizes spending flexibility, as providers may be accountable to a single entity, not the many entities contributing to the pool.



Detailing Operating & Service Funding Streams

Medicaid 1115 Waiver

“Permit states to use federal Medicaid funds in ways that are not otherwise allowed under federal rules, as long as the US Secretary of Health and Human Services determines that the initiative is an “experimental, pilot, or demonstration project” that is “likely to assist in promoting the objectives of the program.” [a]

CaAIM

“CaAIM allows the critical successes of waiver demonstrations such as Whole Person Care, the Coordinated Care Initiative, public hospital system delivery transformation, and the coordination and delivery of quality care to continue and be expanded to all Medi-Cal enrollees.” [b]

American Rescue Plan Act (ARPA)

“American Rescue Plan Act of 2021 (ARPA) [was signed] into law on March 11, 2021. It provides multiple forms of pandemic-related relief including cash assistance, homeowner and rental assistance, child care, food aid, tax relief, health care, and help for veterans. ARPA also created new – and supplemented existing – funding programs that can potentially be tapped.” [c]

Assisted Living Waiver Program

“Facilitate a safe and timely transition of Medi-Cal eligible seniors and persons with disabilities from a nursing facility to a community home-like setting in a Residential Care Facility (RCF), an Adult Residential Care Facility (ARF), or public subsidized housing ... and offer eligible seniors and persons with disabilities, who reside in the community, but are at risk of being institutionalized, the option of utilizing ALW services to develop a program that will safely meet his/her care needs while continuing to reside in a RCF, ARF, or public subsidized housing.” [d]

Sources

[a] Medicaid Waivers in California, California Health Care Foundation: <https://www.chcf.org/wp-content/uploads/2019/10/MediCalExplainedFactSheetMedicaidWaiversCA.pdf>

[b] California Advancing and Innovating Medi-Cal (CaAIM) High Level Summary, DHCS: <https://www.dhcs.ca.gov/provgovpart/Documents/CalAIM/CalAIM-High-Level-Summary.pdf>

[c] Meeting the Moment, National League of Cities: <https://www.nlc.org/article/2021/05/11/meeting-the-moment-leveraging-american-rescue-plan-act-funds-to-improve-mental-health-wellbeing/>

[d] Assisted Living Waiver, DHCS: <https://www.dhcs.ca.gov/services/ltc/Pages/AssistedLivingWaiver.aspx>



An Example



- "Boston Health Care for the Homeless Program provides primary care, behavioral health services, oral health, and other supportive services to thousands of homeless individuals each year.
- It is funded through a braided financing model, in which different funding sources cover different program components:
 1. FQHC Medicaid reimbursement covers medical care provided in clinical settings;
 2. Massachusetts Medicaid's Massachusetts Behavioral Health Partnership funds a program for individuals with behavioral health and substance use conditions;
 3. A Health Resources and Services Administration grant covers street and home-based clinical team services; and
 4. Foundation grants and philanthropic contributions pay for specialty dental and medical respite services."

State Payment and Financing Models to Promote Health and Social Service Integration, Center for Health Care Strategies
Source: https://www.chcs.org/media/Medicaid_Soc-Service-Financing_022515_2_Final.pdf



Get in touch with us



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