Housing and Economic Development as #LeversforHealth
TOWARD A POPULATION HEALTH BUSINESS MODEL: AND HOW TO PAY FOR IT

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FEDERAL RESERVE BANK OF SAN FRANCISCO

#LeversforHealth
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Parental "Enrichment" Spending on Children

Source: Putnam (2015)
WHAT IS COMMUNITY DEVELOPMENT?

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ZIP CODE IMPROVEMENT...

HOUSING COORDINATED WITH SERVICES

Solara, San Diego
Zero Energy Affordable Housing

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ZIP CODE IMPROVEMENT...

HOUSING COORDINATED WITH SERVICES

Plaza Apartments, San Francisco
Supportive Housing

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COMPREHENSIVE YOUTH DEVELOPMENT

KIPP Academy, Washington D.C.

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COMPREHENSIVE YOUTH DEVELOPMENT

Neighborhood Centers Inc, Houston

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RESIDENT-FOCUSED ECONOMIC DEVELOPMENT

Baker-Ripley Center, Houston

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RESIDENT-FOCUSED ECONOMIC DEVELOPMENT

Market Creek Plaza, San Diego

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MATURE SECTOR WITH LARGE SCALE INVESTMENTS

Over $150 Billion Dollars Annually Directed into Low-Income Neighborhoods

Network of Organizations

- Community Development Corporations (CDCs)
- Community Development Financial Institutions (CDFIs)
- For-profit & non-profit affordable housing developers

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Over $150 Billion Dollars Annually Directed into Low-Income Neighborhoods

Federal/State Tax Credits & Grants

- Low Income Housing Tax Credit (LIHTC);
- New Markets Tax Credit (NMTC);
- Community Development Block Grants (CDBG);
- Healthy Food Financing Initiative (HFFI)

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Over $150 Billion Dollars Annually Directed into Low-Income Neighborhoods

Community Reinvestment Act Dollars
- CRA-motivated loans and investments from private, for-profit banks
COMMUNITY DEVELOPMENT AND HEALTH CO-INVESTING TO IMPROVE UPSTREAM #SDOH
LA COCINA

$300 million loan fund
Healthy Futures Fund

CONWAY CENTER

Washington, DC

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TOLEDO, OHIO

ProMedica, LISC launch $45M partnership

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BOSTON

Historically underinvested neighborhoods

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$200 Million Affordable Housing Fund

Kaiser partners with Enterprise Community Partners to invest in Neighborhoods

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Writing a Prescription for Healthy Neighborhoods

At Kaiser Permanente, just 1% of patients drives 23% of its preventable costs.

Many are low-income, high-need patients living in underserved neighborhoods.

Their neighborhood shapes their health, from lead poisoning to stress.

That’s why... hospitals are investing in neighborhoods—to make people healthier before they ever need a doctor.
COORDINATING UPSTREAM:
A MARKET THAT VALUES HEALTH

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Economist Dean Baker argues that those on the left shouldn’t see the market as the enemy: “This makes as much sense as seeing the wheel as the enemy. The market is a tool, it is incredibly malleable.”
BUYERS
All who are willing to pay for better health

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PRODUCERS

Any entity that can improve the upstream social determinants of health
CONNECTORS
Those who can create the tools to connect the buyers to the sellers

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WHAT MATTERS
INVESTING IN RESULTS
TO BUILD STRONG, VIBRANT COMMUNITIES

Federal Reserve Bank of San Francisco & Nonprofit Finance Fund
RECAP

- Guardrails and Airbags
- Community Development = Guardrails
- Quasi-Market for Community Development is a Model
- Increasing Co-Investing between Health and Community Development
- Market that Values Health

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KEEP IN TOUCH

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Housing and Economic Development as #LeversforHealth
Engagement Process

Market and Opportunity Discussion

Select a Geography or Target Population

Mapping the Ecosystem

Engage Housing Sector Partners to:
- Identify & Prioritize Solutions
- Learn more about local landscape

Tailored Healthcare Sector Engagement

Multi-sector Charrette

Implement and Evaluate Pilot

Disseminating Tools and Sharing Learnings

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Enterprise’s Housing for Health Fund

A new outcomes-based equity fund concept with goals to improve the health outcomes for residents and lower costs to healthcare providers. The funds will provide attractive returns and specific health outcomes:

- Each housing development will include a Health Action Plan, an element of our Green Communities Criteria. The plan will include assessing the health needs of the residents and the larger community through community meetings, working with local health providers and local governments and surveying residents. Each plan will provide specific recommendation for the built environment and health related services.

- An on-going survey tool will be utilized to demonstrate improved health outcomes and cost reduction.

- Healthcare providers are able to support the housing developments through additional programs and services they currently offer, such as visiting nurses or health trainings.

- The funds will have an 8-10 year maturity with a base return of 4-5%. Depending on the performance of each housing development – investors will have the potential for increased returns above the 5% base return.

#LeversForHealth
Housing and Economic Development as #LeversforHealth
Symposium: Housing and Economic Development as Levers for Health

Frank Robinson, Vice President,
Public Health, Baystate Health
Friday December 14th
Place Matters: Flip it to Test It
Informed Healthcare: Data for New or Improved System Design

**BUILD (Bold, Upstream, Integrated, Local, and Data-driven initiatives)**

**Health Challenge**

- Healthy Hill Initiative is one of 18 inaugural awardees from across the nation.
- The Healthy Hill Initiative has been working to change the health landscape in Old Hill by focusing on "the dynamic intersection of two health determinants - public safety and access to physical activity."

**The Healthy Hill Initiative (HHI)**

**BUILD Sponsors:**
- The Advisory Board Company
- De Beaumont Foundation
- Colorado Health Foundation
- Kresge Foundation
- RWJ Foundation

- Information from social needs screening utilized in clinical decision-making to connect patients to social services to address human needs.
- REAL data (i.e., stratified by Race, Ethnicity, Language, Locale (residence) and other disparity sensitive measures is utilized to pursue health equity.
- Understanding the stories of disadvantage culturally and linguistic diverse communities to co-design clinical & community-based solutions.
Targeted Healthcare: Addressing Social Needs

Pilot Phase: Home Visiting and Assessment

16 families enrolled so far, 10 completed home assessments

“I so appreciate all you do, but especially for this home and family. What you did is likely to reduce doctor visits, need for medication, absence from work or school, lost wages, and fewer if any hospitalizations. If someone's allergies and environment puts them in 'status asthmaticus’ but that person does not get medication or an ER visit, it could be fatal. You may have even saved a life.”

Susan Mangan, Respiratory Therapist and Realtor
Health Care Investments: Upstream with an Equity Lens

- **Capitalize drivers of community wealth building, health & well-being**
  - **Place**
    - Transforming Communities
  - **Ownership**
    - Community Cooperatives (worker-owned businesses)
  - **Multipliers**
    - Local Sourcing (keep money circulating locally)
  - **Collaboration**
    - Anchor Networks (leverage for collective action)
  - **Community & Economic Development**
    - Health Equity as part of a new normal of economic activity
  - **Housing**
    - Financing Upstream Solutions
  - **Transportation**
    - Seed Funding and Direct Loans
  - **Food Systems**
    - Financing Upstream Solutions
From Funding to Financing SDoH

- Wellspring Community Cooperatives

![Diagram showing funding sources and investment vehicles.]

- Sponsorships
- Technical Assistance
- Grants/Cash
- Private Debt
- Public Fixed Income
- Real Assets
- Private Equity & Venture Capital

**Community Benefit**

- Pro Bono Business Development & Legal Assistance
- $410,000 RWJF grant and matching funds
- $89,000 miscellaneous grants
- In-kind Assistance

**Place-based Investment Vehicles**

- $80,000 preferred shares - investments from qualified investors
- $15,000 community development loan from City of Springfield
- $15,000 line of credit from Freedom Credit Union – turned into term loan
- $30,000 line of credit from the Local Enterprise Assistance Fund
- $75,000 line of credit from Farm Credit East
- $680,000 in loans

- $80,000 reimbursement from neighbor for shared driveway and easement
- $264,000 in preferred shares from qualified investors
- 15,000 Kiva crowd sourced loan online loan for initial financing
- $300,000 from direct public offering through Wellspring Investment Fund, includes 57 investors $1,000 to $40,000/each
Financing SDoH

- **Leveraged Sources**
  - Public investments
  - Philanthropy
  - Foundation (Prig)
  - Bank CRA
  - Private Equity
  - CDFI Grants
  - Government

**Investment Strategy**
- Outcome-based grants to CDCs leveraged MA Community Investment Tax Credits
- Baystate seeds the Community Health Innovation Fund (CHIF)
- Other partners/members contribute to building the CHIF
Community Health Innovation Fund

$250,000 Baystate CITC

$2M, LOW INTEREST LONG TERM DEBT

$250,000, Local Foundation Grants

$500,000, Community Development Financial Institution Grants

TOTAL GRANTS $1M

$3 Million Community Health Innovation Fund

Housing Solutions

Transit Solutions

Food & Built Environment Solutions

Safe, Healthy, Stable and Affordable Housing

Increase Engagement and Access to Care

Reduce Chronic Metabolic Diseases
Housing and Economic Development as #LeversforHealth
About Preservation of Affordable Housing (POAH)

POAH is a national nonprofit housing enterprise. Our mission is to preserve, create, and sustain affordable, healthy homes that support economic security and access to opportunity for all.

POAH owns and manages 10,000 homes at 100+ communities in 11 states and DC.
POAH believes that:

- Stable affordable housing is an **essential foundation**
- BUT housing alone **isn’t usually enough**
- Services and supports can **enhance life outcomes** (and promote residential stability)
POAH’s Community Impact model:

- Engage site teams
- Coordinate with community resources
- Begin with housing stability
- Target 5 outcome areas
- Use data to improve impact

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Funding Strategies: Affordable Housing Units

• Building or renovating affordable housing requires **capital subsidy**

• Standard capital sources (LIHTC + fed/state/local soft funds) are **very constrained**

• Affordability under ~50% median income also requires **rental assistance** – extremely scarce

• Need to **expand existing sources and introduce new ones**

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POAH’s community impact activities are funded through:

- Property operations
  - Market-based rental assistance can increase to reflect the coordinator “amenity”
  - Increased stability means savings in other budget lines (bad debt, legal, etc)
- Reinvestment of retained earnings (“profit”)
- Grants and fundraising
- Linking to non-housing payors?
Recommendations

- Invest in new affordable housing production
- Increase HUD coordinator funding (including family sites)
- Expand pay for success model beyond supportive housing (lighter touch models)
- Coordinate housing investment across payors (need for intermediary actor)
- Build on / expand Medicaid waivers for tenancy support services
Housing and Economic Development as LeversforHealth
There are 3 circa 1920s brick and masonry structures comprising 6 buildings and containing 35 units.

Originally each building was a triple decker with four bedrooms.

The buildings were reconfigured to consist of 6 (1) bedroom apartments. One building contains a (2) bedroom unit.
Waldeck was one of two distressed properties owned by a landlord in Chapter 11 Bankruptcy.

Both had fallen into disrepair due to deferred maintenance and severe disinvestment.

As the properties came up for auction, the bankruptcy court was bound to maximize returns to creditors.

The properties garnered significant interest from private developers.
Waldeck Street Existing Conditions
Existing Conditions
Existing Resident Demographics

- Most residents extremely low income.
- Many with chronic health, substance abuse and mental health needs
- 11 out of 35 units subsidized by the Boston Public Health Commission due to these issues (only 23 occupied units, currently)
- Likely some qualify as High Users of Emergency Services (HUES).
- About 1/3 of current residents (7) self-report that they frequent BMC for medical care
Health Action Planning (HAP) w/BMC, Enterprise and Residents

HAP Goals:

- A process for affordable housing developers to integrate health into the design or rehabilitation of their housing.
- Pairs affordable housing developers with public health professionals to prioritize the health needs of their community through data analysis and community engagement.
- Drs. Megan Sandel and Thea James, along with Brian Rahmer and Alma Balonon-Rosen of Enterprise participated in HAP process
- About 10 Waldeck Residents participated in charrette facilitated by architect
HAP Outcomes
Residents, BMC and Enterprise Identified:

*Improve Air Quality (25% have asthma)*:
- Design/rehab implication: Seal building envelope, repair leaky roof, provide filtered outside air (via ERV vent/fans circulation)

*Sleep Troubles related to Safety/In-Outs and MBTA Noise*:
- Enhance safety by deterring crime (security cameras, redesigned gates, locks/key fobs, etc)
- Insulate interior south wall facing the MBTA railway

*Mental Health, Social Isolation, Lack of Ownership*:
- Build service office/community space in building
- Bring more light in building via new door designs, etc
- New interior design with “home-like” feel (keep fireplaces, light wall colors in common areas, etc)
Other Work with BMC

BMC MADE $800,000 CITC INVESTMENT OVER 4 YEARS!

- BMC: House HUES patients at Waldeck
- CSNDC: House men of color

Anticipated Outcomes:
- Reduction in:
  - Emergency Room costs, post-housing
  - Improvement in resident health, post housing placement
Challenges

Fair housing barriers
- Chronic homeless vs HUES preference

Constrained resources:
- Supportive services funding
  - On-site vs person based, (i.e., Medicaid, etc)
- Ongoing rental subsidies for increased HUES tenants

Regulatory issues:
- MAAB capital costs for community room elevator
- 4% tax credit projects require direct leases

NEED TO WORK AT SPEED OF PROJECT!
Housing and Economic Development as #LeversforHealth
Massachusetts Food Trust Program
Food Access = Equity, Public Health and Econ. Dev.

- Research shows lower-income areas and communities of color have less access to retail outlets that provide a wide selection of affordable, nutritious foods in their neighborhoods.

- These same communities suffer from disproportionately high rates of diet-related health problems and miss out on crucial economic benefits, like jobs and other retail development.
The Massachusetts Food Trust Program (MFTP) provides loans, grants, and business assistance for increasing access to healthy, affordable food in low-income, underserved areas. The MFTP prioritizes support for businesses selling fresh food that is grown, caught, or harvested in MA.

- Established in legislation in 2014
- $1 million of seed funding for Fiscal Year 2018
- The MFTP officially launched on October 30! massfoodtrustprogram.org
Types of Eligible Applicants

Eligible projects include the development, renovation or expansion of:

- Grocery stores
- Corner stores
- Co-ops (open to the public)
- Farmers markets and mobile markets
- Foods hubs, community kitchens, food truck commissaries, indoor and outdoor greenhouses and other infrastructure for gathering, preparing and distributing healthy food for retail in areas that are low-and-moderate income (LMI) and underserved
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