HEALTHCARE: A CURE FOR HOUSING
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At the Center for Active Design (CIAD) we have long understood the relationship between housing and health. Through our original research and translation of an ever-growing evidence base connecting the built environment and health, we have witnessed the powerful role housing plays in affecting health outcomes. As the operator of Fitwel®, the world’s leading certification system committed to building health for all™, CIAD collaborates with a wide range of stakeholders to promote health in the spaces where we live, work, and socialize. The evidence-based design strategies featured in Fitwel have been shown to positively influence physical, mental, and social health, with many of those impacts proving especially profound among affordable housing residents.

For us, it’s not just about increasing the quantity of affordable housing, but also ensuring the housing is designed to optimize the health of occupants. This mission led us to collaborate with Fannie Mae on the development of its Healthy Housing Rewards® program, which provides a loan pricing discount to borrowers that achieve Fitwel® Certification through the implementation of design and operational strategies proven to support health. By building the business case for quality, affordable housing, and bringing new stakeholders into the fold, we are helping bring about market transformation throughout the real estate sector.

Over the past year, thanks to funding from The Kresge Foundation, CIAD has had the opportunity to build on our work with Fannie Mae and explore promising pathways to increase investment in affordable housing as a strategy to promote health. One finding that emerged repeatedly throughout our research was the profound impact healthcare companies, including healthcare systems, hospitals, and managed care organizations, were having within the affordable housing space. In this publication, we have featured six case studies, each highlighting a different healthcare stakeholder throughout our research.

The connection between health and housing makes the healthcare industry an obvious partner in addressing the housing affordability crisis. Yet, their involvement as a sector is not yet being maximized. The connection between health and housing makes the healthcare industry an obvious partner in addressing the housing affordability crisis. Yet, their involvement as a sector is not yet being maximized.

By featuring the work of thought leaders across the healthcare industry, this publication further demonstrates the connection between housing, health, and financial return in the hope that others will join in to expand access to quality, affordable housing across the country.

Joanna Frank
President & CEO, Center for Active Design

Connecting Healthcare and Affordable Housing: A Call to Accelerate Investments

Housing in the United States is at a crossroads. As the affordability crisis expands its reach, public concern about rising rents is accelerating, bringing with it a growing motivation to disrupt the status quo. In major markets, low-rent housing is disappearing, with the number of units available for less than $800 per month decreasing by four million since 2011. Today, nearly half of American renter households are cost-burdened, meaning they are dedicating more than 30 percent of their income to housing. While households making below $15,000 continue to be most impacted by the affordability crisis, between 2011 and 2017 the cost-burden rate increased nearly five percent among households earning $30,000–$44,999 and nearly three percent for those earning $45,000–$74,999.

Quality, affordable housing isn’t simply about shelter; it’s also about the sense of community, opportunity, and safety that come with having a safe, stable place to live. Without access to such a home, achieving an optimal quality of life becomes impossible, making housing one of the leading social determinants of health. As defined by the World Health Organization, social determinants of health are those “conditions in which people are born, grow, live, work and age, which are shaped by the distribution of money, power and resources at global, national and local levels.” Actors across the healthcare industry are increasingly realizing that in order to truly impact the health of all patients, they must not only provide high-quality clinical care, but also work to influence social, environmental, and economic conditions within the community.

While all organizations interviewed for this publication view quality, affordable housing as a social determinant of health, their specific motivations for investing in housing are varied. For some, the enactment of the Affordable Care Act, which brought with it Medicaid expansion and a community benefit requirement, contributed to their decision to enter the affordable housing market. Others were driven by disinvestment, neighborhood decline, and safety concerns for their patients and employees. The methods and mechanics of investing also ranged, largely depending on the capacity and mission of the specific organization. One commonality seen across investors was the reliance on the Low-Income Housing Tax Credit (LIHTC), a federal program that offers one of the most influential strategies for investing in affordable housing. Several healthcare companies have used LIHTC to provide equity to promising projects, while others acted as a developer and secured equity for their own projects through LIHTC. That said, LIHTC on its own does not provide enough financing to make a project possible, and the need for additional resources is a recurring theme that surfaces throughout the case studies. Partnerships are frequently used to secure additional resources and make affordable housing investments possible.
Through partnerships, healthcare actors have enhanced their connection to the community, secured additional financing for complex affordable housing projects, and evaluated the impact of quality, affordable housing. For hospitals, investing in housing has enabled them to fully embrace their role as anchor institutions—organizations committed to serving the surrounding community. Meanwhile, health insurance companies point to housing investments as a quantifiable way to address the needs of their most at-risk members. Ultimately, these types of measurable impact investments tap into the ever-growing world of social investing, which is an in-demand area of opportunity for investors. As a highly reputable sector, the healthcare industry has an opportunity to leverage its reputation and mission to drive increased investment in affordable housing. Through the case studies featured here, we have honed in on ten best practices to guide the industry and motivate the next wave of strategic healthcare investment in housing for all.

**AFFORDABLE HOUSING HAS CONTRIBUTED TO A...**

- **12%** reduction in overall healthcare expenditures of Medicaid recipients
- **18%** decrease in emergency department visits
- **20%** increase in use of primary care services

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**TEN BEST PRACTICES**

**TO HARNESS HEALTHCARE RESOURCES FOR HEALTHY HOUSING**

Ultimately, healthcare systems are focused on improving the health of their patients, while maintaining profitability to enhance operations and impact. Investing in quality, affordable housing and community development has the power to bring these two motivations together. The ten best practices listed below highlight the most profound findings from our research, and demonstrate how actors across the healthcare industry can leverage affordable housing to achieve double bottom line returns.

1. **START SMALL AND EXPAND**

Gaining support for affordable housing efforts often requires the convergence of an established proof of concept with long-term strategic planning efforts. Several health systems included in this publication entered the affordable housing space slowly, often through avenues more traditionally found within a health system’s scope. **ProMedica** first committed to community development by building a grocery store to address food insecurity. After seeing its success, the healthcare system began to explore other avenues for influencing social determinants of health, and eventually expanded its efforts into affordable housing. **Nationwide Children’s** and **UnitedHealthcare** both started with smaller investments and grew their portfolios over time. Nationwide Children’s began by committing to invest $3–$5 million in five years, and readjusted as it became increasingly comfortable in the space. In just 11 years, it has invested more than $10 million in housing, expanding from single-family homes and duplexes into the recent development of a multifamily residential property. Similarly, UnitedHealthcare began supporting affordable housing efforts with a $22 million investment for three projects in New Mexico. Since these developments opened in 2013, UnitedHealthcare has invested an additional $400+ million in affordable housing across the country. The affordable housing industry is complex, and by **testing out projects before jumping in fully**, healthcare systems can mitigate risk while maximizing return and impact.

2. **ENHANCE COMMUNITY CAPACITY**

In many instances, healthcare systems do not have the capacity to operate as a developer on their own. Often, a better option is to **collaborate with local leaders with existing platforms to guide targeted investments**. **Central City Concern** leveraged its community relationships, housing development experience, and extensive knowledge about the connection between health and housing to attract investment in affordable housing from local healthcare institutions. Through his position as a board member with Health Share, a coordinated care organization in Portland, the former CEO of Central City Concern had the opportunity to present the impact of housing on health with a number of healthcare leaders. These conversations laid the groundwork for innovative collaborations between the non-profit and local healthcare entities, as they came to recognize the connection between adequate housing and social determinants of health. **Dignity Health** took a different approach; instead creating its own Community Investment Program, which seeks input from local partners and embraces varied styles of investing to meet the financing needs of projects. As part of its efforts, Dignity Health has invested in locally-focused Community Development Financial Institutions that are uniquely aware of the housing needs in an area, and has formed connections with local housing developers to offer pre-development loans to help spur additional investment. These approaches foster an environment in which community-based organizations, developers, and investors work together at the intersection of health and housing, and positively impact the overall fabric of the community.

3. **CONNECT TO BROADER ORGANIZATIONAL GOALS**

Healthcare systems are also key economic drivers in the communities they serve—and forming partnerships to expand the development of quality, affordable housing is one way to **fulfill their role as anchor institutions**. Frequently, investing in affordable housing is part of a broader strategy of stabilizing neighborhoods and fostering community resilience. For **ProMedica**, investing in community development and affordable housing was imperative to its goal of achieving an “all-in” approach to addressing the social determinants of health. By investing in housing, environment, and safety in local communities, **Dignity Health** has demonstrated how healthcare systems can become more accountable for building health equity in the communities they serve, while also accruing a financial return. Healthcare organizations can also maximize their impact by **engaging a range of internal actors** in their housing efforts. When **UnitedHealthcare** began investing in affordable housing, its efforts were mainly within the treasury department. Over the past decade, UnitedHealthcare has been able to significantly scale up its efforts by working collaboratively across its clinical, policy, product development, and social services integration teams. **Through coordinated and multifaceted approaches to addressing social determinants of health**, healthcare systems can enhance their impact and promote the sustainability of their affordable housing initiatives.
4. LEVERAGE ORGANIZATIONAL REPUTATION

Healthcare is a highly respected industry. The public has a natural tendency to defer to physicians and other medical professionals, understanding that they have a unique and highly valued expertise. The respect awarded to health professionals can be leveraged to gain institutional support for community development efforts led by healthcare systems. Nationwide Children’s found that while they were far from being experts in affordable housing, local partners deeply valued their knowledge about the impacts of housing on health. Stakeholders listened when they spoke, and were eager to get involved in their neighborhood stabilization efforts. The power held by healthcare institutions was also noted by Central City Concern, who found that by highlighting their relationships with health professionals, they were able to attract additional financing from the city, state, and other groups to complete complex capital stacks. The credibility afforded the healthcare industry brings with it immense power and responsibility, which if used effectively, can drive impressive results.

5. ENGAGE LOCAL PARTNERS

Community development cannot occur successfully without the input of the most important stakeholder—the community itself. For large anchor institutions like healthcare systems and hospitals, building community trust can present a challenge. Local partners can help overcome longstanding barriers to trust, by playing an essential role in identifying community assets and priorities, and supporting the success of community development efforts. By pursuing affordable housing development in partnership with local organizations, healthcare actors can increase credibility and ensure they have a direct avenue for community feedback. Based on this understanding, Nationwide Children’s launched the Healthy Neighborhood, Healthy Families Initiative in partnership with Community Development for All People (CD4AP)—a local, faith-based non-profit committed to improving quality of life for residents living on the South Side of Columbus. This partnership allowed Nationwide Children’s to connect with community residents and build support for their housing interventions. Bon Secours looked to Operation ReachOut—a coalition of businesses, churches, residents, and community groups—for guidance. The diversity of this coalition enabled Bon Secours to build trust within the community and establish its role as an anchor institution serving, rather than overtaking, the neighborhood. These stories demonstrate how healthcare systems can engage local partners through a multitude of different pathways, and in doing so, strengthen their role within the communities they serve and expand the impact of their investments.

6. RESPOND TO THE SHIFTING NEEDS OF LOCAL COMMUNITIES

To truly impact the social determinants of health within a community, healthcare systems must respond to changing local needs. In some cases, this means shifting directions based on community feedback, while in others, it’s about ensuring stakeholders have access to vital information to better understand the goals and realities of an initiative. After spending years focusing on the development of single-family projects, Bon Secours and Nationwide Children’s both responded to the need for rental units by investing in large-scale multifamily residential projects. Their ability to pivot and respond to community demand has contributed to the long-term scalability and impact of their affordable housing initiatives. Local needs can come in all forms, and by maintaining close connection to those impacted, healthcare systems are able to better address unique and contextual situations as they arise.

7. ACT ON FINDINGS FROM COMMUNITY HEALTH NEEDS ASSESSMENTS

Community Health Needs Assessments (CHNAs) employ systematic data collection and analysis to identify key health needs, and can play a vital role in identifying the socioeconomic factors that contribute to negative health outcomes in a region. A requirement of tax-exempt hospitals as part of the 2010 Affordable Care Act, CHNAs serve to coordinate community benefit investments, identify community assets, and surface potential partnership opportunities. Implementation successes highlighted in this publication include Bon Secours, which relies on consultations with local experts, interviews with targeted subgroups, and sustained collaborations with community representatives to engage a wide range of stakeholders in the assessment process. CHNA findings have enabled the hospital to pinpoint quality, affordable housing as one the most pressing health needs in Southwest Baltimore, and this knowledge has guided the healthcare system’s long-term investments since the 1990s. ProMedica also recognizes CHNAs as a primary tool to help prioritize interventions and track associated improvements in community health. ProMedica has acted on findings from its CHNA to develop a holistic action plan aimed at addressing the social determinants of health and enhancing quality of life for Toledo, Ohio residents. By effectively deploying strategies based on CHNA findings, both healthcare systems strive to address health equity and empower local communities.
8. STANDARDIZE EVALUATION METRICS

Metrics and evaluation frameworks can be used to establish goals for interventions and programs, track progress, and attract future financing. By recording gradual improvements in social determinants and health outcomes, healthcare systems are able to identify the long-term social and financial returns on their investments. Through a partnership with the Center for Outcomes Research and Evaluation, Central City Concern (CCC) has recorded a significant drop in the total monthly healthcare costs of individuals who have moved into one of its supportive housing projects. These positive financial and social impacts enable CCC to successfully attract funding for other projects that combine residential spaces with clinical care. Nationwide Children’s has also used evaluation as a way to record impact, finding that the neighborhood where Nationwide Children’s contributes to community development is moving ahead of comparable neighborhoods in terms of key outcomes, such as lowering rates of emergency department use. Additionally, evaluation metrics can guide investments. For example, all projects seeking financing through the ProMedica LISC Health Impact Fund are evaluated based on their anticipated impact on specific environmental, economic, social, physical, and community health factors. Applying standardized socioeconomic and health metrics for evaluation of affordable housing and community development efforts can connect these endeavors to broader community goals and help attract outside financing.

9. CREATE A DEVELOPMENT ARM AS A SUBSIDIARY

Creating a development arm as a subsidiary can enable healthcare systems to exercise more control over the development of quality, affordable housing. In partnership with Community Development for All People (CD4AP), Nationwide Children’s created the Healthy Neighborhood Healthy Families (HNHF) Realty Collaborative, which is technically a subsidiary of CD4AP, but largely funded by the hospital. Through the HNHF Realty Collaborative, Nationwide Children’s has been able to act as a non-profit developer—receiving grants, securing loans, and managing all aspects of the development process. Similarly, Bon Secours created Unity Properties—a subsidiary that operates as a non-profit developer. Unity Properties manages and executes the entirety of Bon Secours’ community development portfolio, covering costs through a mix of development fees and grants. The non-profit development arm approach has proven effective for both Nationwide Children’s and Bon Secours, and offers a replicable model for other healthcare systems looking to expand access to affordable housing.

10. ACT AS A GUARANTOR

Acting as a guarantor offers expedited access to financial resources, which can have an immediate and positive impact on stabilizing at-risk neighborhoods. Bon Secours uses its Unity Properties development arm, backed by the income statement of Bon Secours, as a guarantor, enabling Unity to secure loans for affordable housing development. This financial mechanism is part of their strategy of achieving long-term, broad neighborhood impact while taking measured risks. Despite not having a development arm, Dignity Health has acted as guarantor to community development banks, non-profits, and other economic enterprises through its community investment program. This approach has allowed Dignity Health to harness a wide variety of financial structures to support health-promoting affordable housing.
CASE STUDIES

01 BON SECOURS MERCY HEALTH
Baltimore, Maryland

02 CENTRAL CITY CONCERN
Portland, Oregon

03 COMMONSPIRIT HEALTH*
California

04 NATIONWIDE CHILDREN’S HOSPITAL
Columbus, Ohio

05 PROMEDICA
Toledo, Ohio

06 UNITEDHEALTHCARE
National

* Previously Dignity Health
In the late 1980s and 1990s, the neighborhood surrounding Bon Secours Hospital was shifting. Decades of disinvestment and disenfranchisement contributed to the proliferation of the crack epidemic in West Baltimore. Rising rates of drug use around Bon Secours coincided with the emergence of open-air drug markets located less than two blocks away from the hospital. Patients and employees traveling to the facility on West Baltimore Street had to traverse corners overrun by the crack epidemic.

At the same time, the passage of the 1986 Tax Reform Act disincentivized investment in rental housing, leading to a depressed rental market. George Kleb, Executive Director of Housing & Community Development at Bon Secours, has been advancing the hospital’s community development efforts since their start in the 1990s, and explained that “owners weren’t able to charge high enough rents for units to keep the property viable, which further accelerated vacancy rates.” The situation became so dire that by 1995, 67 of the 101 rowhomes located on the three blocks leading up to Bon Secours on West Baltimore Street were vacant.

Coupled with its neighborhood issues, Bon Secours was also experiencing a significant decrease in patient load. At a time when Bon Secours’ business model was based on the frequency of patient visits, the dip in revenue caught the hospital off guard. In September 2018, Bon Secours merged with Mercy Health to form Bon Secours Mercy Health, which is one of the nation’s 20 largest healthcare systems and the fifth largest Catholic healthcare ministry. Bon Secours Mercy Health has a long tradition of community investment, and has demonstrated the power of leveraging healthcare dollars to support affordable housing through its efforts across Baltimore, Maryland. An affordable housing program led by Bon Secours and its development arm, Unity Properties, has built and rehabilitated more than 802 units across 12 projects, which range from rowhouse renovations to construction of new large-scale multifamily residential projects. While the Bon Secours hospital in Baltimore is scheduled to be purchased by LifeBridge Health in the fall of 2019, the Bon Secours Community Works programs will remain active in Baltimore, and will continue to address social determinants of health through affordable housing development, among other efforts.

Featured expert insights:
George Kleb, Executive Director, Housing & Community Development, Bon Secours

When confronted with neighborhood disinvestment, Bon Secours built on a legacy of community engagement, creating a subsidiary that operates as a community development corporation to expand access to affordable housing in Baltimore, Maryland.
attention of Board members and hospital executives. Kleb recalls that, at this point, “there was no denying the decline in the hospital’s volumes was related to circumstances outside of the walls.”

**Drawing inspiration from a rich history of community healing**

Empowered by a newfound understanding of the situation, hospital leadership decided to create Unity Properties—a subsidiary of Bon Secours that operates akin to a community development corporation. The launch of Unity Properties aligned with Bon Secours’ history of thinking about health holistically and pushing healthcare outside of hospital walls—a practice they have embraced since the Sisters of Bon Secours established their ministry in Baltimore in 1881.

The Sisters began providing care to community residents long before opening their first hospital in 1919. Upon arriving in Baltimore, the Sisters of Bon Secours broke norms by moving in with sickly families for extended periods of time to provide holistic care and day-to-day assistance. This approach was highly uncommon for the time, and largely based in the ministry’s commitment to compassion, healing, and liberation. “We are committed to ensuring people have the opportunity to live freely,” George Kleb emphasized. “For us it is really about creating the condition for good health from a community standpoint,” he added.

A majority of Bon Secours’ more recent community-based work has been based on the Community Health Needs Assessment (CHNA), which picks up on community engagement and planning that they have been conducting since the 1990s—long before this was required by the Affordable Care Act. Findings from the CHNA have motivated Bon Secours to use community development to address crime and related trauma through the development of neighborhood spaces and amenities, including urban gardens, community centers, splash parks, and of course, affordable housing. This long-term strategy prioritizes the use of metrics for investing in neighborhood stabilization and addressing neighborhood-specific social determinants of health. Over time, Bon Secours’ community development efforts expanded and became increasingly holistic, giving credence to their founders’ mission.

**Rebuilding trust through stakeholder engagement**

Bon Secours’ entree into community development began with the quiet acquisition of 31 vacant homes and an abandoned Catholic school, all of which were located on the blocks surrounding the hospital. Realizing that making decisions about the neighborhood without community input would lead to failure, Bon Secours launched Operation ReachOut—a coalition of businesses, churches, residents, and community groups—to guide their efforts. After going public with Operation ReachOut, Bon Secours established three major goals as a starting point. Kleb recounts, “First, we knew we needed to renovate the housing on West Baltimore Street into safe, affordable properties. Second, we wanted to transform the local school we had acquired into a community space. And finally, we knew that we would no longer make unilateral decisions, and needed to partner with the community every step of the way.”

To achieve these goals, Bon Secours convened a steering committee comprised of members of the surrounding neighborhood associations, churches, and other stakeholders to help the hospital answer two of its most pressing questions: 1) should the redeveloped housing be offered for purchase or as rentals? and 2) what purpose should the abandoned school serve within the community? In the end, thanks to guidance from the steering committee, Bon Secours decided to redevelop the vacant housing as affordable rentals, while the school was transformed into a family support center.

The diversity of the steering committee has played a vital role in helping Bon Secours build trust within the community and establish its role as an anchor institution dedicated to serving, rather than overtaking, the neighborhood. In addition, the data collected from their CHNAs has provided a broader perspective and helps the healthcare system prioritize investments based on need.

“The insights gained from the CHNA are synthesized along with guidance provided by community coalitions, such as Operation ReachOut Southwest, the Southwest Partnership, and the Anchor Group. This dual-pronged approach has enabled Bon Secours to stay connected to the community, and kept them true to their mission.”

— George Kleb
“With the passing of the 2017 Tax Reform bill, tax credits don’t yield as much equity, meaning we need more financing to fill the gap.”

– George Kleb

Leveraging a non-profit development arm

From the start, Bon Secours’ housing initiatives have been managed by its subsidiary, Unity Properties. Unity Properties functions as a non-profit developer, managing and executing on the entirety of Bon Secours’ community development portfolio. Unity Properties covers costs through a mix of development fees and grants. Unity Properties acquired the first 31 properties thanks to a $600,000 intracompany loan from the Bon Secours National Healthcare System coupled with financing through the Low Income Housing Tax Credit (LIHTC). Upon securing financing, the hospital gut rehabbed each of the 31 rowhouses to rent as affordable housing. From 1994-2003, Unity Properties renovated a total of 59 buildings and 119 units over 4 phases along the West Baltimore Street corridor leading up to the hospital. According to Kleb, “The typical capital stack for these projects began with tax credits, which were paired with private loans, state loans, and HOME loans from the city.”

Bon Secours has also engaged in new construction, financing large-scale multifamily residential projects. These efforts are managed and executed by Unity Properties with Bon Secours operating as a guarantor to help secure favorable loan rates, and enhance the financing potential of projects. Kleb notes that, “As costs of development continue to rise, we have sought out other sources of financing, looking for grants that we can garner thanks to Unity Properties’ non-profit status.” Multifamily residential projects have received financing through a range of grant programs, including the Federal Home Loan Bank Affordable Housing Program, U.S. Department of Housing and Urban Development’s Lead-Based Paint and Lead Hazard Reduction Demonstration grant, and the Environmental Protection Agency’s Energy Efficiency in Affordable Housing grant. Kleb added that, “Recently, only about 0.5 percent of financing has come from philanthropic dollars.”

Local success story: New Shiloh Village Apartments

Opened in 2018, the New Shiloh Village Apartments bring 73 new homes to families. 65 of the units are dedicated for low- and moderate-income families earning between 30-60% of Area Median Income, adults with disabilities, and formerly homeless individuals. Meanwhile, eight units are non-income-restricted, market rate apartments. The building is directly adjacent to the New Shiloh Village Senior Apartments and features multiple shared spaces designed to encourage social interaction and community engagement among residents. Developed in collaboration by Unity Properties, New Shiloh Community Development Corporation, and Enterprise Homes, the property also provides a range of supportive services, including on-site service coordination, financial services, employment training, health screenings, and other resident engagement activities.

The majority of the project financing was provided by tax credit equity from Bank of America syndicated by Enterprise Community Investment, which contributed $15.9 million. As for construction financing, Bank of America contributed $14.4 million to the project. Permanent financing was comprised of $2 million from Bellwether Enterprise, $1.35 million of Rental Housing Funds from the Maryland Department of Housing and Community Development, $1.25 million from the Baltimore HOME program, $500,000 from the Affordable Housing Program, and $600,000 from Maryland’s Project CORE.

Addressing community priorities over the long-term

For Bon Secours, entering into the world of community development brought a steep learning curve. At the beginning, developing long-term partnerships with local communities did not come easy, as lateral relationship-building tends to be less common for healthcare systems. Realizing the need for resident buy-in, Bon Secours prioritized collaborations with local organizations and leaders within the Baltimore community. An ongoing challenge is that Baltimore continues to be a city defined by stark socioeconomic disparities and critical health needs. A 2017 community health assessment conducted by the City of Baltimore found a 20-year difference between areas with the highest life expectancy and those with the lowest life expectancy. This divide is largely attributed to a legacy of policies designed to segregate the community, and indicates a serious need for strategic community development and investment in under-resourced areas of the city.

By stretching themselves and continuing to listen to residents’ needs, Bon Secours has successfully adjusted, and then readjusted, the priorities of their Community Works program to meet neighborhood needs. For example, when Bon Secours began to see a dearth of residential buildings for seniors, they prioritized the development of senior housing, despite its inherent difficulties with financing. According to Kleb, “There is a perception that Baltimore has a shortage of family housing and overabundance in senior housing, but based on our connection to the community, we saw that to be inaccurate.”

With the purchase of Bon Secours Hospital by LifeBridge, Bon Secours will lose its clinical presence within the city, but will maintain and grow community development efforts through Unity Properties and Community Works. Even as the housing market changes rapidly and their role within the city transforms, Bon Secours and Unity Properties will be able to leverage and expand on their expertise in place-based initiatives that recognize the role of stable, affordable housing in individual and neighborhood health.

Realizing the benefits of a housing subsidiary

By creating a subsidiary that operates as a community development corporation, Bon Secours has ensured the sustainability of its housing and neighborhood revitalization efforts. This is clearly demonstrated by the organization’s continued work throughout various mergers and acquisitions. Forming a development arm can provide a healthcare system with the latitude to strategically invest in real estate and guide the development process from start to finish.

“Unity Properties is a parent organization of many subsidiaries, which allows them to secure financing in a variety of ways and allows for refinancing of loans.”

– George Kleb
This structure has also enabled Bon Secours to act as the guarantor, and increase financing potential for affordable housing projects. While guarantees are disclosed, they do not contribute to consolidated debt due to changes made in limited partnership agreements. This shift has ultimately decreased the risk of these investments. In addition, Bon Secours evaluates all housing investments as a part of their socially responsible investment policy, which brings together the goals of the treasury services and community benefit department to quantify a project’s social and financial impact. By breaking down silos within the healthcare system and integrating affordable housing investments into their broader business model, Bon Secours has successfully scaled and expanded their housing development work over time.

“Since the 1990s, Bon Secours has taken measured risks, closed deals, and provided housing to thousands of people. Fifteen years goes by quickly, and before you know it, you are at scale.”

– George Kleb
Central City Concern (CCC) is a Portland-based and Federally Qualified Health Center that has long recognized the connection between health and housing. Since its inception in 1979, CCC has witnessed the health impacts of inadequate housing and homelessness first-hand. From the start, CCC has used housing as an accessory to treatment—combining alcohol recovery programs with affordable housing management—to ensure those struggling with addiction have access to stable housing. Today, it remains committed to supporting personal and community transformation by increasing access to affordable housing, integrating healthcare services, nurturing peer relationships, and creating job opportunities.

**Featured expert insights:**

Sean Hubert, Chief Housing and Strategy Officer, Central City Concern

Tracy Dannen-Grace, Director of Community Partnerships and Philanthropy, Kaiser Permanente Northwest

**Convening stakeholders to launch Housing is Health Initiative**

With a staff of 900+ and an annual operating budget of $90 million, CCC serves more than 13,000 individuals each year. Positioned at the intersection of health and housing, CCC is a valuable community partner, especially as the healthcare industry becomes increasingly focused on social determinants of health. In 2016, CCC launched the Housing is Health Initiative in conjunction with six Portland-area health organizations, including Adventist Health Portland, CareOregon, Kaiser Permanente Northwest, Legacy Health, Oregon Health & Science University (OHSU), and Providence Health & Services in Oregon. To date, Housing is Health has leveraged $21.5 million in healthcare dollars toward the development of three distinct affordable housing developments—Blackburn Center, Charlotte B. Rutherford Place, and Hazel Heights—each with a unique target population.

**A test case: Recuperative care projects for homeless patients**

As a key player in expanding healthcare accessibility in Portland, CCC has engaged with actors across the city’s healthcare system for decades. In the early 2000s, CCC partnered with OHSU to launch a residency program at its Old Town Clinic, exposing physicians-in-training to complex care situations. Building on this program, and in response to intensifying concerns around the recidivism rates of homeless patients, in 2007 CCC began its Recuperative
In Portland we saw average rents skyrocket in the early 2000s, when the number of people living in poverty increased dramatically and the number of homeless individuals who struggled to find quality housing grew. In the late 2000s, when home prices in Portland had more than tripled from $148,000 in 2010 to $340,000 in 2015. We, as a society, were failing our most vulnerable citizens, putting them at risk for chronic disease and addiction. While the healthcare sector was also subjected to significant strain, providing care for the homeless population became a major challenge.

In Portland, efforts were made to address this issue through collaboration between healthcare providers, city planners, and housing developers. One such initiative was the Housing is Health initiative, which sought to leverage the power of healthcare facilities to drive housing investments. Through this initiative, the healthcare sector recognized the vital role housing plays in health and the potential benefits of partnering with hospitals and community health resources.

Investing in mental health and addiction through affordable housing

In the late 2000s, when the affordable housing crisis began to escalate in Portland, the far-reaching impacts became clear to the healthcare sector. As home prices were rising, the city’s population was skyrocketing, and chronic homelessness was becoming increasingly visible across the city. In Portland, median housing prices increased 129.7 percent in just over a decade, rising from $148,000 in 2000 to $340,000 in 2015. As a result, practitioners saw marked increase in the number of ER intakes among homeless individuals, as well as among lower-wage employees struggling to find quality housing within reach.

Sean Hubert, Chief Housing and Strategy Officer at CCC, remembers, “In Portland we saw average rents double over five years, and the healthcare sector, specifically in our city, began to realize the importance of investing in housing.” At this time, the healthcare sector was also seeking out new opportunities to invest in the community, prompted by the decrease in need for Charity Care (healthcare provided for free or at reduced prices for low-income populations), as a growing population became enrolled in health insurance under the Affordable Care Act (ACA).

Tracy Dannen-Grace, Director of Community Partnerships and Philanthropy with Kaiser Permanente Northwest, recalls, “Community Health Needs Assessments guide our community investments, and based on these evaluations it became clear that in order to impact mental health and addiction—one of our central priorities—we had to first invest in housing.” Prioritizing access to quality, affordable housing via long-term investment strategies has allowed hospitals and healthcare systems to leverage their assets to strengthen the physical, mental, and social health of the communities they serve.

Strengthening connections through coordinated care

Following the enactment of ACA, in 2012 the state of Oregon developed several coordinated care organizations (CCOs), including one known as Health Share of Oregon. The CCO system was developed to convene health plans, providers, and community health resources and create a more holistic health delivery system for those insured by Medicaid and Medicare. Ed Blackburn, the CEO of CCC at the time, was invited to join the board of Health Share as a founding member, given CCC’s strong connection to the community, and expanding role as a Federally Qualified Health Center connecting health and housing.

Through his work with CCC, Blackburn had gained a deep understanding of the issues facing Medicare and Medicaid patients within the Portland Community, and over time he had witnessed growing concern around the lack of quality, affordable housing. As a board member with Health Share, Blackburn was able to encourage influential healthcare leaders to consider the impacts of stable, quality housing on health. At the same time, Blackburn strengthened relationships with these leaders by welcoming representatives from a range of healthcare organizations onto the CCC board. Through this platform, Blackburn successfully sparked interest among several Health Share members collaborating on a housing-focused initiative.

Hubert notes, “Recruiting a healthcare system CEO was critical, and helped motivate others to get involved.” Through many conversations in a variety of settings and with a range of actors, CCC pushed stakeholders to think more broadly about social determinants of health, leading to the launch of the Housing is Health Initiative in 2016. Thanks to a collaboration with the Center for Outcomes Research & Evaluation (CORE), the health impact of the healthcare and housing services provided at Blackburn Center is being evaluated, and findings can be used to guide future initiatives.

Leveraging community benefit dollars to drive housing investments

The Housing is Health initiative brought together CCC with six other healthcare organizations that committed a total of $21.5 million toward the construction of nearly 400 housing units, spread across Blackburn Center, Charlotte B. Rutherford Place, and Hazel Heights developments. A majority of the financing from the healthcare systems came from community benefit dollars and went toward the development of Blackburn Center, which incorporates 175 units of supportive housing and a healthcare clinic. The healthcare industry was especially interested in this project given its role in expanding respite care for the homeless.

Since healthcare systems cannot receive a return on an investment of community benefit dollars, the financing provided was structured as a grant, rather than a loan. At the time, this was the largest private investment of its kind in the United States. An additional $10.7 million was provided by the City of Portland Housing Bureau, and $3 million from Multnomah County, while the remaining financing was secured through tax credits, bank loans, and private fundraising, which went toward financing the Charlotte B. Rutherford Place and Hazel Heights affordable housing developments.

Responding to the needs of unique populations

Each of the three projects financed through the Housing is Health initiative meets the needs of unique populations, and was designed with specific goals in mind. Blackburn Center brings a healthcare facility, Central City Concern brings a healthcare facility, and Charlotte B. Rutherford Place, courtesy of Central City Concern
HEALTHCARE: A CURE FOR HOUSING

CENTER FOR ACTIVE DESIGN

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Determinants of health investments toward affordable housing. For organizations like CCC, working with the healthcare systems significantly expands their reach. With financing from leading healthcare systems secured, other funders have been much more eager to finance the Housing is Health initiative. Hubert noted that, “Highlighting the funding received from the healthcare sector helped motivate the city to support the project.”

All across the United States, healthcare systems are becoming increasingly enthusiastic about investing in affordable housing. As demonstrated by CCC, capitalizing on this momentum to build partnerships is vital to maximizing impact.

From an equity perspective, healthcare systems were especially excited about the prospect of using these projects to fight displacement in rapidly gentrifying areas.”

– Sean Hubert

The Hazel Heights project is located in an area experiencing increased homelessness. In the development of this project, CCC partnered with the City of Portland and the Native American Recovery Association to attract Native American families to the development and reflect the neighborhood’s demographics. The project’s 153 homes, including 92 one-bedroom and 61 two-bedroom apartments, are targeted to employed individuals who are leaving transitional housing but who still face affordability barriers. Eight units are reserved for households at 30% Median Family Income (MFI); 30 units for households at 50% MFI; and 115 units for households at 60% MFI.

Finally, as part of Portland’s “Right to Return” policy—designed to provide housing to African-American individuals and families displaced from North Portland due to gentrification—Charlotte B. Rutherford Place offers homes to households at 30-60 percent MFI. Right to Return is a policy that gives preference to those individuals and families previously pushed out of their neighborhoods by rising rents. Charlotte B. Rutherford Place is a four-story building that features 34 one-bedroom and 17 two-bedroom units, and like the Hazel Heights project, targets those exiting transitional housing programs.16

Addressing community concerns about neighborhood change

As Portland’s population continues to grow, overcrowding has become a serious concern for many schools, including those in Southeast Portland, where Hazel Heights is located. Many families have expressed concern that building a new, large, family-focused project in the area would worsen school crowding. Recognizing this concern, CCC leveraged its relationship with the community to host a conversation about the new housing development. By explaining that Hazel Heights apartments would target residents already living in the neighborhood and attending local schools, the families’ concerns began to ease. CCC communicated additional project benefits, including healthcare and supportive services, which offered particular appeal to a neighborhood hard-hit by the opioid epidemic. By framing the multiple community assets embedded in Hazel Heights, CCC garnered vital community support for the project.

Expanding reach through strategic partnerships

Through Health Share, Portland has developed a culture of collaboration that has pushed the participating healthcare systems in innovative directions. Today, as a part of Oregon’s CCO 2.0 program, all coordinated care organizations across the state are required to follow Health Share’s lead, and commit a portion of their social pharmacy, commercial space, 51 units of RCP housing, and ten units of palliative care housing to an economically and demographically diverse area of East Portland. The project site was identified to target high rates of substance use disorder in the surrounding area. The building also offers stable shelter for the most vulnerable populations, with 80 units of transitional low-income single room occupancy units, and 34 studios of permanent housing.14

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BEST PRACTICES
APPLIED BY CENTRAL CITY CONCERN

- Enhance Community Capacity
- Connect to Broader Organizational Goals
- Leverage Organizational Reputation
- Engage Local Partners
- Respond to Shifting Needs of Local Communities
- Standardize Evaluation Metrics
Building the capacity of local organizations
Rooted in a tradition of serving the surrounding community, Dignity Health first began investing in community development in 1991. Many of Dignity Health’s investments—and now CommonSpirit’s—are focused on building capacity by supporting local partners and community-based organizations. “There are already so many organizations doing good work to promote community development in the areas we serve, and by investing in them, we’re able to accelerate impact without duplicating efforts or competing with existing efforts,” explains Pablo Bravo, Vice President of Community Health with CommonSpirit Health.

Employing a comprehensive approach to community development
Dignity Health’s approach to housing has been comprehensive, including everything from recuperative care to supportive, transitional, permanent rental, and ownership units. Each type of project and investment has contributed to Dignity Health’s overall mission of neighborhood stabilization—a goal that will continue to guide CommonSpirit Health.

CommonSpirit Health (CommonSpirit) is uniquely focused on developing a robust system to manage nearly $41 billion of assets, a significant portion of which is applied toward the root causes of poor health. These efforts build upon an expansive and strategic investing model developed by Dignity Health. In the time between launching its Community Investment Program in 1991 and merging to become CommonSpirit in February 2019, Dignity Health lent more than $245 million to over 165 non-profit organizations. In 2017 alone, Dignity Health approved 73 loans totaling $97 million, of which 45 percent was invested in affordable housing. Dignity Health’s decades of experience investing in affordable housing will inform the new healthcare system’s approach to addressing social determinants of health.
“Our Community Investment Program seeks to be a beacon that will attach capital to areas where money might not otherwise be flowing.”

- Pablo Bravo

Dignity Health’s Community Investment Program has focused on investing in health-related groups, financial intermediaries, small business promotion, community services, clean energy, arts, and education. Dignity Health has also sought projects that address immediate community needs in response to sudden changes. “In times of disaster or economic crisis, we find that our investments can be especially profound,” Bravo notes. Dignity Health has also developed long-term investment strategies that respond to continuously evolving local housing markets. Headquartered in San Francisco, Dignity Health has had a front-row seat to the affordable housing crisis, and has intentionally sought investment opportunities to help stabilize the market. For example, the healthcare system often steps in to assist affordable housing projects struggling to complete their capital stack.

Converging stakeholders to maximize collective impact

As a healthcare system without a separate development arm, Dignity Health has brought value to neighborhood stabilization efforts by integrating social determinants into its investment strategy. Rather than managing the ins and outs of affordable housing development, Dignity Health has built capacity for projects that might not otherwise attract funding, but which demonstrate promise of local impact. As a partner to developers, community development financial institutions (CDFIs), and local organizations, Dignity Health has connected the dots between groups, and has used these relationships to multiply investment in specific projects. For example, by contributing below-market-rate deposits to CDFIs, Dignity Health has expanded the capacity of investors to open up increased resources for specific affordable housing loans. Dignity Health has also prioritized investing in smaller, more locally-focused CDFIs that aren’t attracting the same amount of capital as the bigger players, such as the Disability Opportunity Fund, San Francisco Housing Accelerator Fund, and Craft3. Since 80 percent of the projects Dignity Health has invested in are located in areas where the healthcare system has a presence, relationships center around organizations that are embedded within these communities. These local relationships have been key to building Dignity Health’s project pipeline. According to Bravo, “An actor working within the community, such as a community health director, might have identified a project that matches Dignity Health’s investment priorities. From there, we would have a conversation, do our due diligence, and determine what the investment would be accomplishing and whether the project meets our goals and social criteria.”

Meanwhile, other projects come to Dignity Health through community outreach or during regular meetings hosted by the local Housing Authority or CDFIs. Dignity Health has convened diverse stakeholders to discuss their investment strategy and specific project opportunities. For example, after investing $1.2 million in an expansive mixed-income housing project in June 2018, Dignity Health brought together nearly 50 municipal leaders, foundations, banks, CDFIs, developers, and community-based organizations to showcase the project, known as Arrowhead Grove. During this convening, Dignity Health highlighted the importance and value of investing in Arrowhead Grove in San Bernardino—a neighborhood desperately in need of support.

Immediately following the meeting, the state of California’s Strategic Growth Council awarded the City of San Bernardino $20 million, which will be used to support the addition of 180 new units of affordable housing. Dignity Health’s community development strategy not only commits its own expertise, but also leverages the capabilities and capacity of actors across the communities it serves to maximize their collective impact.

Benefiting from diversified investments

Through its comprehensive Community Investment Program, Dignity Health has fully integrated the financing of affordable housing into its investment strategy. Like any investment portfolio, Dignity Health has sought to ensure diversification by investing in a range of CDFIs to impact a breadth of projects, and by undertaking different types of...
“We are especially keen on investing in CDFIs that are focused on micro-enterprise and investing in under-resourced areas. For example, by investing in the Disability Opportunity Opportunity Fund, we are able to help finance housing for individuals with disabilities.”

– Pablo Bravo

This approach has increased the return on investment for Dignity Health’s loans, which are repaid with interest rates of 4-5 percent. One of Adobe’s recent projects, constructed with $1.5 million in pre-development financing from Dignity Health, is the Rolland Curtis Apartments located in one of the poorest neighborhoods in the United States. This transit-oriented, mixed-use community is a redevelopment of an out-of-date, 48-unit apartment building that will include 140 units for households earning between 30 and 60% Area Median Income. The complex will also feature 8,000 square feet of community-serving commercial space and an on-site Federally Qualified Health Clinic. All tenants who had been living in the older building will have first right-of-return once the project is complete.

Raising awareness about health and housing

Since launching its Community Investment Program in 1991, Dignity Health has risen to the challenge to educate external partners about the connection between health and housing, and the importance of community development. While the process can be slow, by engaging with an ever-growing body of community-based organizations, developers, and financial institutions, among others, Dignity Health—now CommonSpirit Health—is raising awareness about how local stakeholders can influence health through housing. This process of education and engagement is empowering new groups to get involved in affordable housing, building community capacity and unifying diverse players around a common goal.

Scaling an investment-centered approach

CommonSpirit Health has a significant platform to build upon, thanks in large part to decades of investment led by Dignity Health. With the infrastructure necessary to manage these investment funds, and the established model of Dignity Health’s Community Investment Program, CommonSpirit is primed for success. The relationships formed by the entities that now make up the larger healthcare system will guide future investments. “Longstanding relationships have built trust, and have enabled us to act quickly on a project and respond appropriately to community and partner needs,” observes Bravo. An investment-centered approach can be scaled up or down depending on the portfolio size of a specific healthcare system, and can be set up to grow over time. By integrating social determinants into their investment strategy, healthcare systems can work toward their mission, while also prioritizing profit-generation.

“The communities where we work see us as a partner, and by focusing on their needs rather than gaining notoriety, we have been able to maintain strong relationships with other local stakeholders.”

– Pablo Bravo

COMMONSPIRIT HEALTH

HEALTHCARE: A CURE FOR HOUSING

CENTER FOR ACTIVE DESIGN
BEST PRACTICES
APPLIED BY COMMONSPIRIT HEALTH

- **ENHANCE COMMUNITY CAPACITY**

- **CONNECT TO BROADER ORGANIZATIONAL GOALS**

- **ENGAGE LOCAL PARTNERS**

- **RESPOND TO SHIFTING NEEDS OF LOCAL COMMUNITIES**

- **ACT AS A GUARANTOR**
As a part of its Healthy Neighborhoods Healthy Families (HNHF) initiative launched in 2008, Nationwide Children’s, in collaboration with Community Development for All People (CD4AP), has revitalized housing across the South Side of Columbus. Through their investment in affordable housing, HNHF has supported the rehabilitation and repair of hundreds of single-family homes, duplexes, triplexes, and one quadplex. Nationwide Children’s has also supported the construction of a new multifamily residential development on the South Side of Columbus to meet the region’s housing needs. This has led to greater neighborhood integration, and a renewed sense of neighborliness among residents.

Featured expert insights:
Dr. Kelly Kelleher, Vice President of Community Health, Nationwide Children’s

Serving patients and promoting holistic health
Since its founding in 1892, Nationwide Children’s has demonstrated its leadership in healthcare, pushing the industry to innovate and move past the status quo. From establishing an outpatient department in 1910—something unheard of at the time—to today’s notable commitment to behavioral and population health, Nationwide Children’s has always been on the cutting edge of holistic health. Since first opening with only 9 patient beds, Nationwide Children’s has grown to become one of America’s largest children’s hospitals. In 2018 Nationwide Children’s had more than 1.5 million patient visits from 50 states and 45 foreign countries.10 Nationwide Children’s growth has brought an increasing sense of responsibility to its role as an anchor institution in Columbus, Ohio.

Committing to investing in the South Side
As Nationwide Children’s has grown over the years, the hospital has become increasingly focused on its role as an anchor institution in the Columbus community. Nationwide Children’s is committed to improving the surrounding community, and has generated strong relationships with stakeholders, including the City’s Department of Development (DoD). In fact, the DoD initially advised them that in order to address economic and health inequities, the hospital needed to reinvigorate the neighborhood. By investing in the surrounding area, Nationwide Children’s improves quality of life for children and families living on the South Side of Columbus,
Connecting health and economic prosperity

At the start, HNHF was mainly focused on the short-term goals of removing blight, developing relationships with community partners, and increasing safety. In their words, they were treating the “neighborhood as their patient.” To align with this objective, Nationwide Children’s Board of Directors established population health goals for the county, several of which were inspired by the “Vital Signs” metrics identified by the National Academy of Science. These metrics include infant mortality, obesity, teen pregnancy, kindergarten readiness, and suicide rates, among others.

One of the leading metrics being tracked by Nationwide Children’s is high school graduation rates—a social determinant linked to a host of health outcomes, such as mortality and economic prosperity.

Discovering such overlaps between business and health metrics has helped Nationwide Children’s boost investment in the HNHF effort, further increasing its sustainability.

Establishing a mutually beneficial community partnership

Launched as a partnership between Nationwide Children’s and a local, faith-based non-profit called Community Development for All People (CD4AP), the HNHF initiative is rooted in collaboration. CD4AP is guided by its mission of improving quality of life for all residents living on the South Side of Columbus. The organization connects with more than 20,000 low-income community members each year through a variety of policies and programs, including after-school programs, a fresh market, community gardens, a bike shop, and affordable housing.

As part of HNHF, in 2008, the two organizations came together to form the Healthy Neighborhood Healthy Families Realty Collaborative—a joint venture that capitalizes on the assets of both stakeholders. Nationwide Children’s brings funds and infrastructure to the partnership, while CD4AP provides affordable housing development expertise, community credibility, and access to community partners. Through CD4AP, Nationwide Children’s was able to connect with community residents—yet another key stakeholder group that informs their work. Resident input helps guide Nationwide Children’s toward those investments that will have the greatest impact on residents of the South Side.

All parties benefit from such close collaboration. While CD4AP credits the partnership for the growth of its affordable housing efforts, Nationwide Children’s realizes that without the support and collaboration of CD4AP, there would have been heightened skepticism from local residents, which may have hindered the success of the initiative. HNHF Realty Collaborative is a subsidiary of CD4AP, but is largely funded by Nationwide Children’s Hospital. Both organizations have three seats on the Board of the HNHF Realty Collaborative, and share decision-making power. Meanwhile, the staff has grown to six employees who are hired and paid by Nationwide Children’s. The mutually beneficial nature of this partnership has strengthened HNHF and significantly expanded its impact.

Building on early successes to expand funding opportunities

When HNHF first launched, the Realty Collaborative started relatively small, committing to invest $3–$5 million in affordable housing over five years. These funds were used to acquire and fully rehab vacant, dilapidated housing. Homes were then sold for homeownership to income-qualified buyers. In response to community concerns that program investments were not adequately reaching current residents, the HNHF was focused on renovations of vacant homes, wasn’t helping existing residents. Based on that feedback, we adjusted the program and began investing in home improvement grants. Today, we have distributed more than 160 of these grants.”

“...Our program started relatively small, committing to invest $3–$5 million in affordable housing over five years. These funds were used to acquire and fully rebuild vacant, dilapidated homes, and then sell them for homeownership to income-qualified buyers. In response to feedback, we adjusted the program and began investing in home improvement grants...”

— Dr. Kelly Kelleher
Children’s continued investment, the HNHF Realty Collaborative began to partner with South Side Renaissance—a local subsidiary of CD4AP comprised of community business leaders. Together HNHF Realty Collaborative and South Side Renaissance expanded into new neighborhoods on the South Side, providing 76 exterior home repair grants and acquiring 23 vacant properties for development. In addition, thanks to $4.5 million in federal grants and funding from United Way, HNHF was able to expand its efforts into gut rehabs and new builds.

In 2016, the market began to shift rapidly, and home prices started to spike in the region. Increasing concerns of affordability motivated Nationwide Children’s and CD4AP to begin exploring opportunities in the affordable rental housing market. A $1.5 million grant from JP Morgan Chase enabled the HNHF Realty Collaborative to pivot into rental housing, and led them to team up with the Ohio Capital Finance Corporation to establish the South Side Renaissance Fund. This $20 million loan fund, which is comprised of $15 million in loans and $5 million in grants, provides long-term funding for acquiring, constructing, and permanently financing up to 170 units of multifamily rental housing.

South Side Renaissance Fund projects will provide high-quality housing for families with incomes up to 80% of Area Median Income (AMI), (currently $45,840 to $61,100 for a family of four), and ensure the South Side neighborhood remains affordable to existing residents. Contributing funders include Fifth Third Community Development Corporation, First Financial Bank, First Merchants Bank, Huntington Community Development Corporation, JPMorgan Chase, PNC Bank, The Union Bank, The Affordable House Trust for Columbus, and Franklin County and Ohio Capital Finance Corporation.

Local success story: The Residences at Career Gateway

The Residences at Career Gateway is the first multifamily residential project supported by Nationwide Children’s, developed in direct response to an increasing demand for rental housing in the community. The Residences at Career Gateway provides 58 units—14 townhomes and 44 apartments—for individuals and families earning 60% of AMI or less, as well as 2,400 square feet of on-site job training space. Classes offered in this space are open to the entire community, provide training for specific jobs at the hospital, and teach skills necessary for success in any position.

The Residences at Career Gateway was funded through 9% Low Income Housing Tax Credits (LIHTC) and an additional $300,000 in equity provided by Nationwide Children’s. Other key partners include NRP Group LLC, the for-profit majority partner, and CD4AP, the non-profit minority partner. In addition, the City of Columbus, the Ohio Housing Finance Agency, the Ohio Capital Corporation for Housing, JPMorgan Chase, Nationwide Insurance, and Fifth Third Bank all played a role in project planning and development.

Tracking data to document neighborhood improvements

When Nationwide Children’s first launched HNHF, the initiative was initially met with skepticism, both internally and externally. Reverend John Edgar of CD4AP explains, “When we began our partnership with the hospital ten years ago, there was a good bit of tension and concern that the hospital was not a good neighbor.” Today, “Nationwide Children’s commitment to housing has been the single biggest contributor to the revitalization of the hospital’s relationship with the neighborhood,” explains Dr. Kelleher, Vice President of Community Health for Nationwide Children’s.

Community perception surveys reveal that attitudes about the neighborhood and Nationwide Children’s involvement have steadily improved year-over-year. Specifically, regularly conducted telephone surveys of more than 250 residents show parents exhibiting greater feelings of safety, inclusion in the neighborhood, and sense of community in recent years. This shift is largely attributed to the positive impact the HNHF initiative has had on the South Side of Columbus. Before investment, almost one in four homes was vacant in the original targeted area. By 2016, vacancy rates had decreased by 71 percent. Subsequently, crime and illegal activity in the area have also decreased. While assaults have risen in Columbus neighborhoods, crime hotspots in the target intervention area have declined.

Research shows that HNHF investment has also positively impacted healthcare utilization for Medicaid-eligible children in the neighborhood. Relative to two propensity-matched neighborhoods, those in the intervention neighborhood have experienced greater decreases in rates of emergency department use and probability of inpatient admission. These findings give Nationwide Children’s leadership team a uniquely positive perspective on the value added by HNHF. Hospital leadership sees addressing the social determinants of health as the future of healthcare. Today, actors across the hospital have come to believe that the process of expanding the institution’s footprint can be a positive and engaging process for the community as a whole.

Sharing knowledge to build a movement

Since 2008, HNHF Realty Collaborative has invested more than $30 million to support affordable housing across the South Side of Columbus. They started small, demonstrated success, and over the years expanded into new types of housing with an increasingly diverse range of partners. Nationwide Children’s commitment to evaluation has enabled them to set attainable goals, track progress, and report back to stakeholders.

Dr. Kelleher explains that hospitals interested in getting involved in affordable housing should “start by developing equity funds from long-term residuals, and then invest those funds—half as mission-related investment, and half as regular market funds.” Based on his experience spearheading the HNHF initiative with Nationwide Children’s, Kelleher believes that investing funds in affordable housing projects within the community can be a good entry point for healthcare systems that are hesitant about entering the housing market. Through HNHF, Nationwide Children’s has seen the value of investing in community development, and is looking for opportunities to share its experience with other healthcare systems. By developing partnerships with other hospitals and sharing its insights, Nationwide Children’s hopes to expand its model to other areas of Ohio, and beyond.

“Nationwide Children’s is going to be here for 100+ years, and if we can impact the neighborhood, we have a chance of helping improve quality of life for the kids.”

— Dr. Kelly Kelleher
BEST PRACTICES
APPLIED BY NATIONWIDE CHILDREN’S HOSPITAL

START SMALL AND EXPAND

CONNECT TO BROADER ORGANIZATIONAL GOALS

LEVERAGE ORGANIZATIONAL REPUTATION

ENGAGE LOCAL PARTNERS

RESPOND TO SHIFTING NEEDS OF LOCAL COMMUNITIES

CREATE A DEVELOPMENT ARM AS A SUBSIDIARY
Healthcare systems often define success in clinical and financial terms. Organizations need to move beyond these metrics to define success holistically—that’s how an organization can have significance in the communities it serves.”

— Randy Oostra

ProMedica is a mission-based not-for-profit organization committed to promoting the health and well-being of its community—not only by treating those who are sick, but also by creating an environment that optimizes residential quality of life. Serving 28 states, ProMedica’s 56,000 employees care for people through its 13 hospitals and nearly 400 assisted living facilities, skilled nursing and rehabilitation centers, and hospice and home healthcare agencies. As an anchor institution headquartered in Toledo, Ohio, ProMedica is especially invested in the health and wellbeing of the city’s 250,000+ residents. After more than a decade of working to address social determinants of health via the $50 million ProMedica Ebeid Neighborhood Promise, ProMedica has expanded its efforts to embrace neighborhood revitalization and increase access to healthy, affordable housing through the $45 million ProMedica-LISC Health Impact Fund.

Featured expert insights:
Randy Oostra, DM, FACHE, President and CEO, ProMedica
Kendra Smith, Director, Community Initiatives, Social Determinants of Health, ProMedica

Recognizing community needs via patient screenings
In Toledo, the connection between place and health outcomes first became clear when ProMedica practitioners began screening for food insecurity. This effort was motivated in part by a Community Health Needs Assessment (CHNA) that cited childhood obesity as a major health concern. Through screenings, practitioners witnessed firsthand the paradoxical relationship between obesity and hunger, and connected these conditions back to the scarcity of fresh, healthy, and affordable groceries in downtown Toledo and surrounding neighborhoods. Kendra Smith, the Director of Social Determinants of Health at ProMedica explained, “Our patients were coming to appointments hungry.”

After learning that much of the area they served lacked access to a diversity of fresh foods, ProMedica leadership decided to take action. ProMedica developed a comprehensive community development strategy to foster a more holistic approach to healthcare. The first step was the launch of a not-for-profit neighborhood grocery store in 2015, located in the UpTown Market on the Green in 2015.
neighborhood of Toledo. This grocery store became the foundation of ProMedica’s broader effort to leverage its resources to impact lives outside the hospital walls, and ultimately improve health outcomes within the community.

While a significant step in the right direction, ProMedica knew that addressing food insecurity was just the start to building a safe and healthy community. In order to truly improve the health and well-being of local residents, ProMedica realized it needed to invest in the future of UpTown by empowering people, transforming places, supporting enterprises, and driving healthcare innovation.

**Shifting to an “all-in” approach for UpTown**

Recognizing that 80 percent of a person’s health is determined by lifestyle, environment, and socioeconomic factors, ProMedica began working to address these factors through a three-pronged strategy to integrate socioeconomic considerations into clinical practice, community development work, and research and education efforts. Building on their food access efforts in UpTown Toledo, ProMedica began to explore other social determinants of health they could influence and impact, creating a team specifically dedicated to this mission.

With an average Area Median Income (AMI) of $20,000, a scarcity of resources, and an aging housing stock, UpTown was chosen as ProMedica’s first location to expand their efforts and apply an “all-in” approach. Using CHNA insights and the expertise of their newly formed Social Determinants of Health Team, ProMedica identified affordable housing access, job creation, and neighborhood safety and connectivity as three key areas for investment. By addressing these needs, ProMedica understands that they are not only improving health outcomes, but also enhancing the economic stability of the UpTown neighborhood and motivating future investment from other area stakeholders.

While ProMedica does not currently have a clinical facility in the UpTown neighborhood, they see investment in affordable housing and broader neighborhood development as an opportunity to address the sustainability of healthcare. ProMedica is committed to creating a new, holistic model of healthcare—one which addresses education, jobs, hunger, and community infrastructure to improve health outcomes. By investing in and becoming a part of the broader community, ProMedica believes they can bend the cost curve and create a more efficient and just healthcare system that maximizes their ability to reduce costs, improve quality, and enhance the patient experience.

**Forging new relationships to revitalize the neighborhood**

For large anchor institutions, gaining the community’s trust can be a challenge. ProMedica has addressed this challenge head on by prioritizing relationship building and strengthening connections with a diverse range of neighborhood groups and community organizations. Community partners include Goodwill, which offers job training and financial counseling to UpTown residents through its Job Connection Center. The Arts Commission of Greater Toledo has been another strong partner, guiding ProMedica to use creative placemaking as their engagement model. Additionally, partners such as LISC-Toledo, AmeriCorps, Hospital Council of Northwest Ohio, Lucas Metropolitan Housing Authority, St. Paul’s Community Center, and the property managers and owners of UpTown multifamily housing units have enabled ProMedica to maintain a comprehensive approach to community development—one that’s centered around health, and addresses all aspects of housing, including preserving affordability.

These community connections only became stronger when ProMedica opened their brick and mortar grocery store in UpTown as part of the ProMedica Ebeid Institute (named after philanthropist Russell J. Ebeid). In 2017, ProMedica’s commitment to improving health and well-being through community partnerships culminated in the launch of the ProMedica Ebeid Neighborhood Promise—a $50 million effort designed to create a model for comprehensive neighborhood revitalization.

Further building on this success, in 2018 ProMedica teamed up with the Local Initiative Support Corporation (LISC)—a leading community development financial institution (CDFI)—to launch the ProMedica-LISC Health Impact Fund—a $45 million partnership to boost economic development and improve health outcomes. Out of this fund, $25 million constitutes a loan fund for real estate and small business development. Through the launch of this fund, ProMedica has become the first healthcare system to partner with LISC, establishing itself as a leader in impact investing.

**Diversifying investments to maximize community health impacts**

Affordable housing projects can secure financing from the ProMedica-LISC Health Impact Fund through several avenues. Thanks to a partnership with LISC-Toledo, ProMedica has access to a pipeline of projects seeking funding throughout the Toledo region. ProMedica is promoting this financing opportunity by building new partnerships and strengthening existing relationships. Funding is flexible and can be used for a variety of needs, including pre-development, construction, and bridge financing. In its first year of operation, the Health Impact Fund has distributed more than $685,000 in acquisition and predevelopment loans to turn formerly vacant properties into residential, commercial, and green spaces. An additional $5.3 million in loans will close by the end of 2019.

All loans made through the ProMedica-LISC Health Impact Fund are evaluated using a framework that weights the potential health impacts of a specific project. In order to diversify the types of projects financed, the loan committee has established certain targets related to project geography, intensity, timeline, balance, and type. For example, 80 percent of the projects funded must be located in Toledo proper, while the remaining 20 percent of financing can go toward more rural surrounding areas. Additionally, the LISC and ProMedica teams are looking for investments that will impact lives outside the hospital.

“Social determinants of health do not just impact urban communities. Rural communities have unique challenges and often require creative public-private partnerships. In partnership with LISC, we are actively building a pipeline of projects throughout our footprint to spur economic development with our government and community partners to bring these projects to life.”

– Randy Oostra

“Anytime you’re working on place-based efforts, it’s about how you serve as a good community partner and build trust.”

– Kendra Smith
Year 16 Initiative

ProMedica is also helping increase the affordability of quality, affordable housing across Toledo through its partnership with KeyBank and the Year 16 initiative, a $3 million effort. This initiative is focused on preserving the affordability of single-family homes previously financed through Low-Income Housing Tax Credits (LIHTC). Downtown Toledo has more than 700 homes that have recently rolled off the LIHTC program, meaning that they are now available for purchase at below market-rates. By providing $7,500 grants to new homeowners, this investment helps individuals and families who were previously renting subsidized homes purchase the property instead of moving away, helping to prevent displacement.

ProMedica and LISC are expanding opportunities for the development of new Environment, Social, Governance metrics designed to encourage investment in health-promoting affordable housing. By applying an evaluation lens to health and housing, the ProMedica-LISC Health Impact Fund has opened up a new stream of financing for affordable housing projects designed with health in mind—a model that could readily expand over time.

Local success story: mixed-income housing

One of the most recent investments supported by the Ebeid Neighborhood Promise is the development of a mixed-use, mixed-income project in the UpTown neighborhood of Toledo. This project will be comprised of 150-170 units, 30% of which are designated as market rate, 30% workforce housing, and 20% reserved for residents with incomes below 80% of AMI. In addition to a subsidy from the ProMedica Ebeid Neighborhood Promise, this mixed-income development is in an Opportunity Zone and is eligible for financing through both an Opportunity Zone equity investment and private capital. ProMedica is currently looking to round out the development’s capital needs through financing from the ProMedica-LISC Health Impact Fund, as well as dollars from the City of Toledo. To ensure community involvement, ProMedica is working with the developer—The Windsor Companies—to host a series of design charrettes to ensure the development aligns with recent neighborhood planning and community vision efforts.

Creating partnerships to build expertise

ProMedica has been able to forge alliances with influential and knowledgeable stakeholders, such as LISC-Toledo and the Center for Community Investment, in order to create a comprehensive and resilient program. As a CDFI with a deep understanding of the local market, LISC-Toledo has provided insights and technical assistance to ProMedica on challenges, such as finding the right development partner for a smaller metro area where investments can be riskier. The partnership with LISC has helped ProMedica move investment work forward utilizing innovative financing tools and resources.

Embracing its role as an anchor institution

Over the past decade, ProMedica has embraced its role as an anchor institution in Toledo, expanding its reach well beyond the traditional integrated healthcare organization. ProMedica’s holistic model of community investment is replicable and can help drive investment in other tertiary markets that, like Toledo, might not be top-of-mind for investors.

When ProMedica saw hunger emerge as a community concern through CHNAs, it developed non-traditional solutions to the epidemic by prescribing food as medicine and establishing food clinics to address the health impact and risks of food insecurity. ProMedica was strategic about their investments, starting small and continually broadening their efforts. It did not strive to address all issues at once, but rather took a measured approach, learning through a focus on relationship building and community engagement. Each effort has built on the one before it, creating a comprehensive framework that can be adopted by other healthcare systems and anchor institutions.
BEST PRACTICES
APPLIED BY PROMEDICA

START SMALL AND EXPAND

CONNECT TO BROADER ORGANIZATIONAL GOALS

LEVERAGE ORGANIZATIONAL REPUTATION

ENGAGE LOCAL PARTNERS

ACT ON FINDINGS FROM COMMUNITY HEALTH NEEDS ASSESSMENTS

STANDARDIZE EVALUATION METRICS
UnitedHealthcare—the health benefits arm of UnitedHealth Group—has emerged as a leader in connecting healthcare and housing, serving as a model for other insurance companies looking to invest in affordable housing. UnitedHealthcare offers healthcare coverage and other health benefit programs globally for individuals, employers, and government-sponsored programs. In the United States, UnitedHealthcare works with more than 1.3 million physicians and healthcare professionals providing discounted healthcare access to its networks across more than 6,000 hospitals and other facilities. Over the past decade, UnitedHealthcare has formed strategic partnerships with various entities, such as Greater Minnesota Housing Fund (GMHF), to invest more than $400 million in affordable housing—financing 4,500 new affordable homes in 80 communities, across 18 states.

**Featured Expert Insights**

John Errigo, Director of Equity Investing, Greater Minnesota Housing Fund

Warren Hanson, President and CEO, Greater Minnesota Housing Fund

**Expanding coverage brings new perspective**

UnitedHealthcare is one of the nation’s largest insurance providers, covering more than 43 million people across the country and providing coverage for Medicaid and dual-eligible individuals, who qualify for both Medicaid and Medicare, in 31 states. Through its experience targeting underserved populations, UnitedHealthcare has gained a unique perspective on the relationship between health and housing. Many of those covered by its Medicaid, dual special needs plans (DSNP), and Children’s Health Insurance Program (CHIP) plans also struggle to secure safe, affordable housing and experience disproportionately high rates of chronic disease and emergency care use.

In the late 2000s, the housing market was in an extremely precarious position. The number of very low-income renters was rising, while the number of adequate, affordable, available units was falling. At the same time, investor demand was faltering, leading many Low Income Housing Tax Credit (LIHTC) projects to be either delayed or stopped. At that time, UnitedHealthcare saw an opportunity to advance its mission and meet the nation’s need for affordable housing. As developers were struggling...
to secure financing, especially in less sought after markets, UnitedHealthcare helped bridge the gap by purchasing tax credits to support the development of new, high-quality, affordable housing.

Treating housing as a social determinant

UnitedHealthcare has a long-standing commitment to “helping people live healthier lives and helping make the health system work better for everyone.” However, as a for-profit, exchange-listed business, the company also has a responsibility to provide a return on investment to shareholders. “UnitedHealthcare is focused on achieving the double bottom line of financial return and measurable health impact,” noted John Errigo, Director of Equity Investing with Greater Minnesota Housing Fund—a close partner of UnitedHealthcare.

In 2011, as the United States began to slowly rebound from the great recession, UnitedHealthcare evaluated the performance of its LIHTC investments. Through this analysis, UnitedHealthcare found that its investment in affordable housing not only contributed to the company’s mission, but also produced exceptionally stable returns. Empowered by these findings, the company decided to expand its investment in LIHTC, focusing strategically on those communities where it had a significant member base, and where there were demonstrated affordable housing needs.

Around the same time, the global conversation about social determinants of health—and businesses’ role in impacting those determinants—was expanding. Healthcare companies in particular began to explore how they could impact socioeconomic factors, including education, housing, food security, and access to healthcare. UnitedHealthcare’s commitment to social determinants is clearly stated by Dr. Jeffrey Brenner, Senior Vice President of Integrated Health and Human Services at UnitedHealthcare Community & State. “Housing is healthcare; patients can’t heal when they are on the streets or lying in a shelter,” says Brenner. “No one with uncontrolled diabetes, cancer, heart failure, or mental illness should be under a bridge in 115-degree heat. We need to make housing available to our most vulnerable members of society, and I’m proud that UnitedHealthcare is showing important leadership in this movement.”

Over the past decade, UnitedHealthcare has worked hard to develop a holistic approach to addressing the social determinants of health, connecting efforts across its treasury, clinical, policy, product development, and social services teams to maximize the impact of its housing investments. In that vein, UnitedHealthcare is especially focused on investing in affordable housing developments that also provide supportive services, including physical and behavioral health services, job training, social programming, childcare, and more. Through permanent, supportive housing, UnitedHealthcare is able to impact multiple social determinants at once—ultimately enhancing its impact on health outcomes.

Teaming up with Greater Minnesota Housing Fund

Headquartered in Minnetonka, Minnesota, UnitedHealthcare has formed strong partnerships that have been integral to their housing initiatives. In particular, the healthcare group has formed a close collaboration with Greater Minnesota Housing Fund (GMHF), a leading non-profit affordable housing lender and investor. Starting in 2013, the two organizations teamed up to form an investment partnership on a proprietary basis, which operated through GMHF’s subsidiary—Minnesota Equity Fund. As an expert in affordable housing investment, GMHF proposes promising investments in affordable housing projects to the UnitedHealthcare team, who reviews them carefully to determine if they align with their mission and current priorities. Warren Hanson, President and CEO of GMHF explains, “With each affordable housing development opportunity, we give UnitedHealthcare an extensive background on the developer, the population to be served, the market, and any planned health and human services to provide a full picture of the total project impacts.”

As a close collaborator, GMHF understands that UnitedHealthcare is especially focused on providing permanent supportive housing and serving veterans—an understanding that has helped guide GMHF to propose targeted investments that match UnitedHealthcare’s interests. Hanson notes, “UnitedHealthcare is extremely selective in the projects they choose to invest in, and thanks to our knowledge of their priorities, we are able to connect them with high mission impact opportunities.” Through its partnership with GMHF,
UnitedHealthcare has gained access to a wide range of supportive housing projects.

**Leveraging LIHTC to support innovative projects**

When UnitedHealthcare first began seeking out opportunities to invest in affordable housing in 2009, LIHTC offered a straightforward approach. Today, LIHTC remains an important investment vehicle for the company. UnitedHealthcare selects its investments strategically, working in those areas where they have a strong member presence and with developers that are particularly innovative. According to a recent press release, “UnitedHealthcare has made its investments through national and regional affordable-housing organizations such as Enterprise Community Investment, Greater Minnesota Housing Fund and its strategic partner Cinnaire, US Bank, Affordable Equity Partners and Chicanos Por La Causa, Inc., among many others, by providing critical equity through state and federal tax credit programs and low-interest loans and financing.” Through somewhat traditional means of investing in affordable housing, UnitedHealthcare has supported the development of innovative projects that might otherwise not have attracted the funding necessary to come to fruition.

**Local success story: Richard A. Brustad Homes**

Thanks to its partnership with Greater Minnesota Housing Fund, since 2013 UnitedHealthcare has provided $42.9 million in equity to support seven affordable housing developments representing 317 units in Minnesota alone. One such development is Richard A. Brustad Homes—a 100-unit building where all units are reserved for previously homeless veterans. Aware of UnitedHealthcare’s commitment to veteran populations, GMHF knew that this development would match well with the organization’s mission and investment strategy. Developed by Community Development Housing Corporation, the project’s service-enriched units are available to veteran households with incomes ranging from 30% to 50% of Area Median Income (AMI). Its location directly adjacent to the Veterans Administration Medical Center ensures easy access to medical services, which can be vital for residents. Richard A. Brustad Homes was well-poised for success, thanks to financing secured through Minnesota Housing Infrastructure Bonds (HIBs)—a new subsidy created by the State Housing Financing Agency. Through these bonds, the state is able to appropriate more money toward affordable housing development, something that Hanson describes as “essential in the midst of the current affordable housing crisis.” HIBs are often paired with 4% LIHTC financing, which eliminates the need to secure a separate and more costly tax-exempt bond allocation.

**Expanding investments into Michigan**

GMHF has also collaborated with UnitedHealthcare outside of Minnesota on affordable housing efforts. Through a partnership with Cinnaire, GMHF facilitated a $35 million investment by UnitedHealthcare that funded the development of 236 new homes across four developments in Michigan. The four projects include New Parkridge Homes in Ypsilanti,

“Housing Infrastructure Bonds were the result of pressure from the advocacy and development communities, who made the case to the state legislature that housing is essential infrastructure like roads and schools, and therefore essential to the state’s economic vitality. This is a strategy that was successful in Minnesota and could certainly be replicated in other states.”

– John Errigo

**Pay For Success**

In addition to its more traditional housing investments, UnitedHealthcare has started to experiment with social impact investing, using a “Pay For Success” model for projects specifically aimed at reaching chronically homeless populations. Through the Pay For Success approach, UnitedHealthcare is able to build capacity within the communities it serves. Jenny Ismert, Vice President of Health Policy with UnitedHealthcare Community & State, explains, “For UnitedHealthcare, it is really a demonstration of how important it is for us to partner with communities that are doing this work already, to scope out those that have proven interventions, and to partner and invest with them and help to prop up the amazing work that they are already doing.”

One example of how the company is using its assets to motivate change and drive impact is the Just In Reach program, which provides permanent supportive housing and support services to chronically homeless and seriously mentally ill individuals in Los Angeles. As an investor in the program, UnitedHealthcare tied its returns to established metrics of success, developed collaboratively by Los Angeles County and other vested parties. For this initiative, success is based on the number of individuals who secure permanent housing and the number of individuals who don’t return to jail. Once the metrics are met, the county will repay UnitedHealthcare and the other investors with a small amount of interest, made possible by the savings accumulated through the decreased recidivism rate.
Prestwick Village in Holt, Woodland Place in Hart, and Jefferson Oaks in Oak Park. For each of these projects, UnitedHealthcare contributed equity through the LIHTC program.

In 2019, UnitedHealthcare invested $14.6 million in the development of Jefferson Oaks—a 60-unit mixed-income community that transformed the vacated Thomas Jefferson High School. Twenty of the units were developed through an adaptive reuse of the school, and the remaining 40 units are newly constructed townhomes. Fifty-four of the units are reserved for households at or below 60% of AMI, while the remaining six units serve those at or below 30% of AMI. Other sources of financing came from Huntington Bank, who provided a $12.2 million construction loan, and Cinnaire, who provided a $2.3 million loan. The developer, Community Housing Network, provides on-site support services, including family activities, education courses, health resources, and other social services programs.

Relying on partner expertise

Through its decades of work leveraging affordable housing to impact health, UnitedHealthcare has become increasingly comfortable in a previously unknown space. Thanks to close partnerships with organizations that specialize in affordable housing financing, UnitedHealthcare has had the room to focus on addressing social determinants of health through quality, affordable housing. After years of collaboration, GMHF has demonstrated that UnitedHealthcare can trust its expert partners to recommend projects that are financially sound and build a reliable pipeline. This allows UnitedHealthcare to turn its attention to the anticipated health impacts of a specific project. The real estate development process can bring unexpected circumstances, such as unforeseen soil conditions, disruptive weather, and long approval processes. By having a strong partner and mutual trust, UnitedHealthcare and GMHF are able to work through such obstacles to achieve success.

Breaking down silos

UnitedHealthcare has employed the most common affordable housing financing tool—LIHTC—to expand access to affordable housing nationally. Through its $400 million in investments to date, the organization has truly set the bar for other healthcare organizations. By incorporating its mission into the organization’s investment strategy, UnitedHealthcare has broken down silos both internally and externally. Through partnerships with on-the-ground actors like GMHF, UnitedHealthcare has enhanced local capacity and expanded its impact far beyond that of a typical managed healthcare company. The company has used a far-reaching investment approach to tackle holistic health needs, resulting in an integrated strategy to address the social determinants of health.
BEST PRACTICES
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START SMALL AND EXPAND

ENHANCE COMMUNITY CAPACITY

CONNECT TO BROADER ORGANIZATIONAL GOALS

ENGAGE LOCAL PARTNERS
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