

# Investing Upstream In Community Health

Health Care Institutions Investing in Affordable  
Housing panel – COSDCA Conference

September 12, 2023 / Nora Bloch, Initiative Director













**center for  
community  
investment**



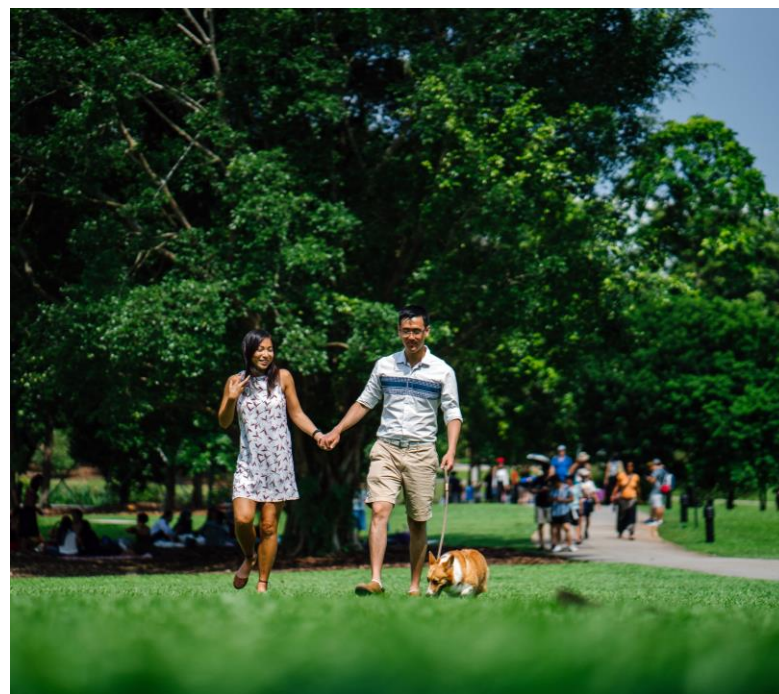
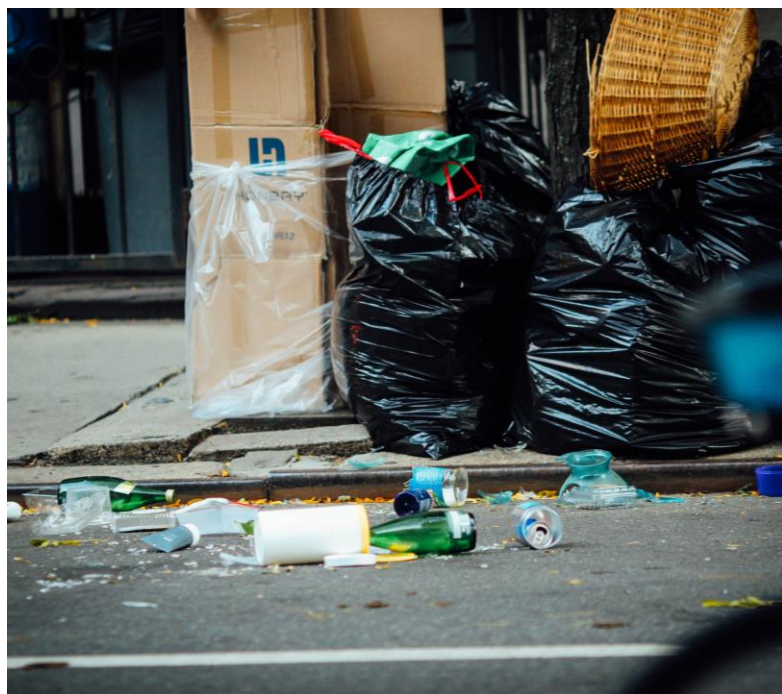
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# CCI's Approach: Shifting the Community Investment System

From		To	
	What can be financed ...		What community prioritizes
	Transactional focus		System/Ecosystem focus
	Single projects		Pipelines and batches of projects
	Gap filling		Ambitious and scaled
	Technical, Siloed		Integrative, Adaptive, and technical

# Place Matters to Health

Where people live, work, and play shapes their health, their access to opportunity, and their chances to thrive.



# Upstream Can Mean Different Things

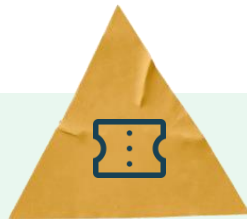
	Clinical/Healthcare	Non-Clinical/Health and Wellness
Community (everyone in the geography)	<p><b>Expand access to health care</b>  <i>Example: School-based clinics</i></p>	<p><b>Improve conditions</b>  <i>Example: grocery store in a food desert</i></p> <p><b>Create opportunity</b>  <i>Example: more jobs or affordable housing</i></p> <p><b>Change policies</b>  <i>Example: zoning</i></p>
Patients of plan members (target population)	<p><b>Improve care delivery</b>  <i>Example: Cultural competence, screening</i></p>	<p><b>Integrate social services</b>  <i>Example: provide referrals or transit passes; provide mold remediation for juvenile asthma patients</i></p>

## When we talk about upstream community investment in the social determinants of health, we are NOT talking about:



### MOVING HEALTHCARE OUTSIDE OF THE HEALTH INSTITUTION

Funding mammogram vans or offering health screenings at affordable housing developments may improve preventive care and improve health outcomes, but it is not community investment.



### PROVIDING TRANSIT PASSES TO PATIENTS

This addresses the social needs of individuals but does not change the root causes of poor health for the community.



### PAYING FOR HOUSING REFERRALS

This gets at the key connection between housing and health, but it is a program that must be paid for with grants, and it does not change the availability of housing in the community.

Hospitals and health systems have an array of assets that can be harnessed to create healthier communities.



**FINANCIAL  
RESOURCES**



**LAND**



**EXPERTISE**



**RELATIONSHIPS**

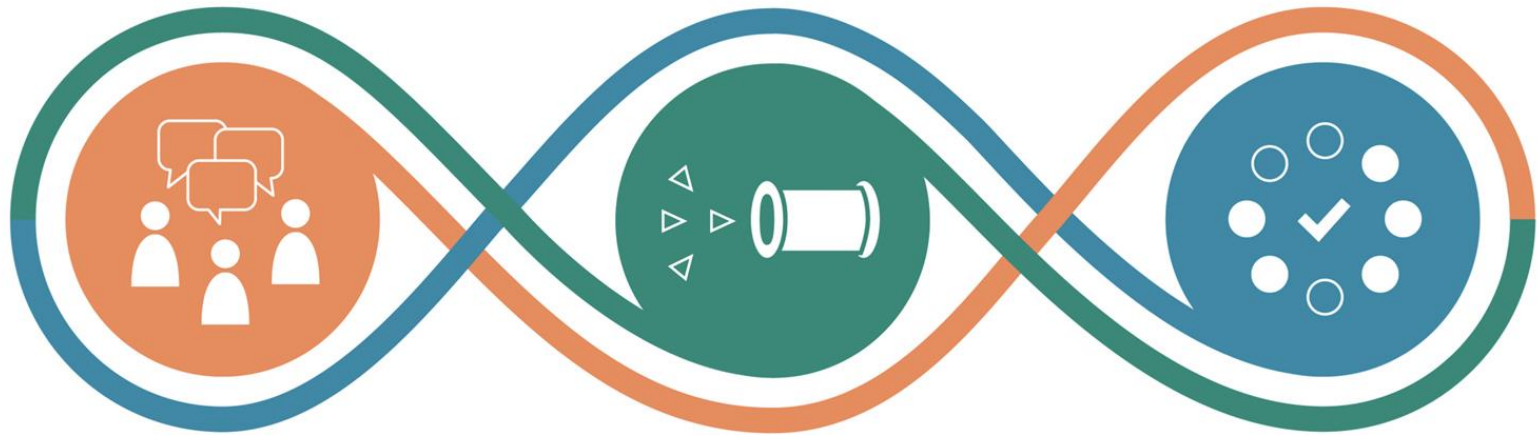


# Range of Health Sector Investments into Affordable Housing, so far...

<p>UPMC Health Plan made a long-term (10+years), low-interest loans to two CDFIs for affordable housing preservation and development.</p>	<p>Nationwide Children’s Hospital provided a \$1.5 million guarantee to unlock \$15 million for a fund to preserve affordable rentals.</p>	<p>Boston Medical Center, a safety net hospital, made a 20+ year, 0% non-recourse loan to an intermediary to finance three LIHTC projects.</p>	<p>In addition to 105 community investments totaling \$165 million, CommonSpirit made a loan to small nonprofits developing single family homes for purchase.</p>	<p>Several hospitals have made grants to local Community Land Trusts to acquire land and develop/rehab homes.</p>
<p>Kaiser Permanente has invested over \$200 million in funds to develop and preserve affordable and permanent supportive housing.</p>	<p>United Health Group is buying Low Income Housing Tax Credits, investing in pooled funds, and making grants to develop rental housing and pay for on-site services.</p>	<p>CareSource, a managed care plan, is making loans and grants to CDFIs and developers leveraging its FHLB membership.  They’ve committed \$50 million for lending to CDFIs in 5 states.</p>	<p>UPMC leased surplus land in Pittsburgh at \$1/year to a developer of affordable senior rental housing and donated 3 parcels for LIHTCs in Lancaster as part of multi-phase redevelopment.</p>	<p>SBH Health System donated two properties across from the hospital to a developer who built 75% affordable units, including 95 for homeless families.</p>

# Strengthening the Community Investment System

Focusing on the community investment system—examining who is or could be involved, pooling resources and batching deals to create efficiencies—can reduce transaction costs and increase the scale and impact of investment.



## Shared Priorities

articulate their aspiration  
and result to ensure  
investments advance  
community goals

## Pipeline

put together a set of deals and  
projects that will help achieve  
their shared priorities

## Enabling Environment

strengthen the policies,  
practices, and relationships in  
ways that advance community  
interests



# Shared Priority

A **Shared Priority** is the North Star that guides collaborative work on community investment. It has two parts:

- an aspiration that reflects the values of the people who live and work in a place to bring racial equity to your community and directs the use of investment
- a result that names the specific change and outcome you will work to achieve in service of your community's aspiration.

Shared Priorities should be **broad enough to matter** and **specific enough to shape decisions**.

1. Legitimate and widely embraced
2. Focused on racial equity and the system
3. Straightforward
4. Appropriately specific
5. Timely



# Pipeline

A **Pipeline** is a set of deals and projects that help achieve a community's shared priority. By working on a pipeline of deals instead of solely focusing on a single deal, you can contribute to the achievement of shared priorities and strengthen the community investment system.

When you move a pipeline of deals, a community can:

1. See all the potential opportunities
2. Ensure deals address shared priorities
3. Reduce costs and increase efficiencies
4. Identify where the system is stuck
5. Expand the community investment system



# Enabling Environment

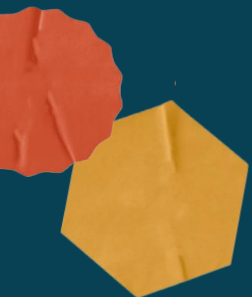


The **Enabling Environment** is the setting in which community investment takes place. This includes everything that makes it easier or harder to identify a shared priority and develop and fund projects to make that priority a reality.

Seven elements that shape the context to facilitate the realization of the shared priorities:

1. Influencing and implementing policies and regulations
2. Adjusting institutional practices
3. Locating additional sources of funding
4. Ensuring the availability of needed skills and capacities
5. Fostering formal and informal relationships
6. Building forums and platforms for ongoing collaboration
7. Shifting narratives

# Examples of Racial Equity in Capital Absorption



## Shared Priority

- Map your community's journey to identify racial configurations and linkages to health and well-being outcomes
- Partnering with community and resident leaders to determine the shared priority
- Centering community leaders in ongoing decision making

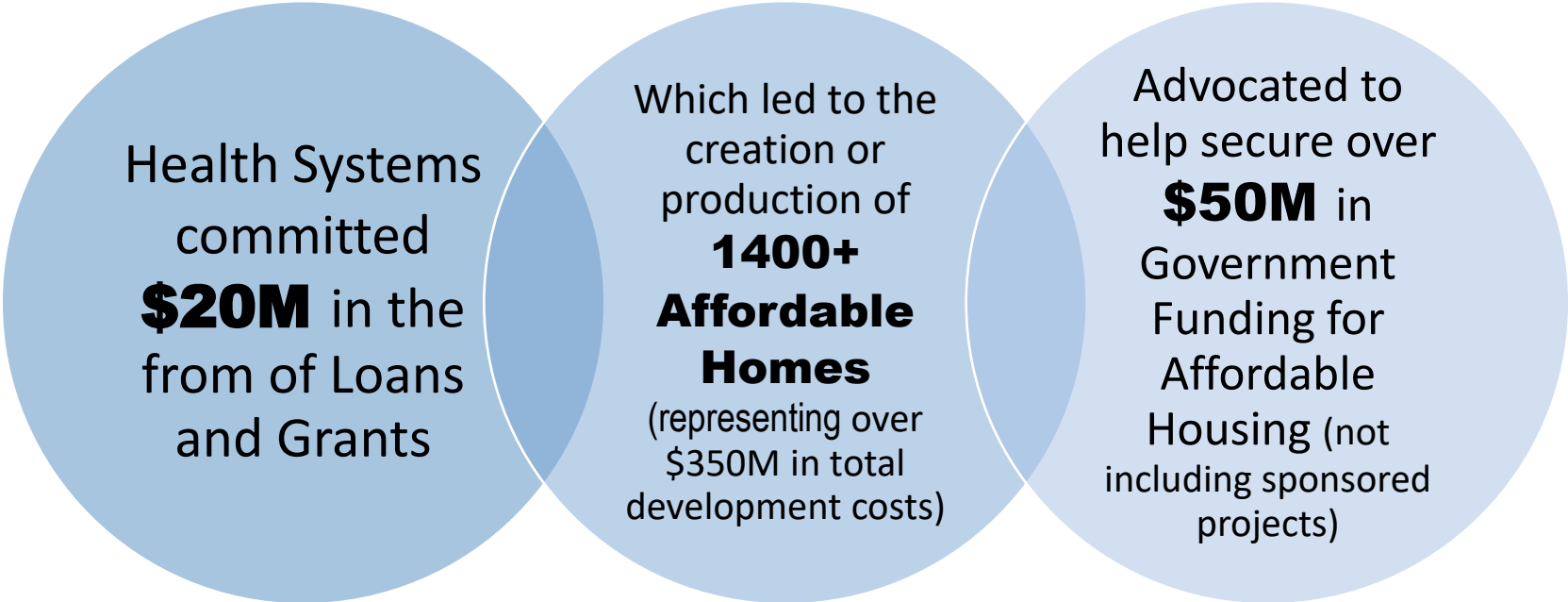
## Pipeline

- Identifying the criteria (e.g. community based partner alignment, population, income, mixed use) for a pipeline of deals that meets your shared priority
- Creating/ imagining projects that aren't currently supported by your local ecosystem

## Enabling Environment

- Convening residents and partners together to align and drive shared priority
- Inside/outside strategy with strong relationship and community shaped priorities
- Identifying the changes needed to support projects that squarely meet your shared priorities
- Meaningfully investing in residents to be a partner in your strategy development and implementation work

# Cumulative Impacts of Accelerating Investments for Healthy Communities



# Approaches in Action: Preservation

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## Kaiser Permanente

### Purple Line (Montgomery & Prince George's Counties, MD)

- New transit line has made rental properties more valuable, and many properties could go from subsidized to market rate, threatening to displace long-time, low-income families.
- Both counties passed a “Right of First Refusal,” which means that a government department has 12-months to make a competitive offer to buy subsidized rentals.
- However, no capital was available to empower the agencies to complete the process.
- Working with a coalition of local advocates, KP made a \$5M loan as part of a \$8.8M fund that has preserved 900 homes so far.

## UPMC Health Plan

### Allegheny County, PA

- Pockets of rapidly appreciating real estate made Pittsburgh multi-family housing very appealing to private investors – and lead to displacement of hundreds of Black households – along with loss of affordable rentals.
- Lack of home rule charter means that local governments can't use regulatory rules to promote preservation.
- Developers, Advocates, and Government Officials all acknowledge loss of subsidized properties as a major issue. UPMC helped form a “working group” to discuss data, funding, and aligned advocacy.
- UPMC made a \$5M loan to a \$11M fund that has the goal of saving 1,000+ units – and the working group secured tens of millions (~\$75M) of public dollars for preservation.



# Five Principles for an Upstream Investment Action Plan



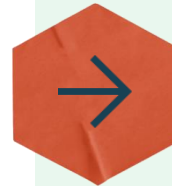
Don't go it alone— this is a team sport.



Make it strategic— maintain focus; think systems; use opportunities to advance the cause.



Seek to maximize impact— how can your dollars and activities have the greatest ripple effect?

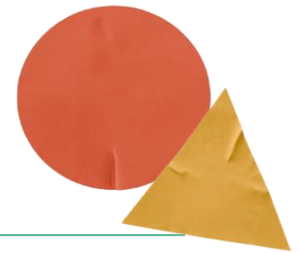


Get going!



Be community-driven— “nothing about us - without us.”

# Many Health Institution Departments Can Contribute



**Community Health /  
Community Benefit**

**Government / Public  
Relations**

**CEO/Board**

**Health Plans/  
Managed Care  
Organizations**

**Facilities/ Real Estate**

**Strategic Planning**

**Finance/ Investment**

**Foundation**

# Health Institution Motivations for Investing in Social Determinants

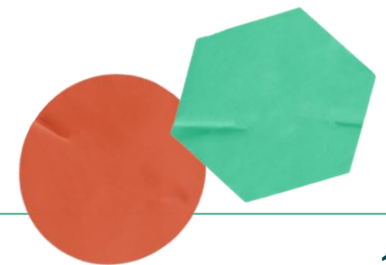
Mission	Reputation	Competitiveness & Compliance	Strategy	Financial Returns
<p>Growing recognition that good health depends on many factors besides access to healthcare is leading health systems to intervene in the social, economic, and environmental conditions experienced by their patients, plan members, and neighbors.</p>	<p>Some hospitals and health systems seek recognition as innovators and field leaders.</p> <p>Others invest in projects that are prioritized by elected officials or the community - helps hospitals build relational capital and goodwill.</p>	<p>Investing in neighborhoods near hospital facilities can help attract and retain both staff and patients.</p> <p>In some cases, it can help gain support from critical state regulators.</p>	<p>As tax-exempt institutions, non-profit hospitals have a legal obligation to serve their communities. Community investments offer a way to multiply the impact of charitable requirements – and in doing so position themselves as thought leaders.</p>	<p>These investments can generate economic returns both directly, through interest payments, and indirectly, through savings resulting from fewer unnecessary hospitalizations and lower cost of care. In many markets, it can also help curb employee attrition.</p>

# Detailed Look at Departments and Influence (1)

Department	Potential Contribution	Impact on Decisions
<b>Mission</b>	Understanding of history and traditions	Explain how investment fulfills the hospital's mission.
<b>Community Health, Community Benefit</b>	Knowledge and data about community needs; relationships with community organizations	Help understand pressing health needs, identify opportunities to intervene, prioritize investments.
<b>Population Health</b>	Strong business incentive to address these issues; often leading value-based clinical care and research initiatives	Make the case for allocating resources and undertaking new initiatives to address social determinants based on data.
<b>Finance and Investment</b>	Access to financial assets as part of an impact investment strategy that seeks both financial and social returns; understanding of how to assess potential risks and returns.	Inform decisions about the amount and type of capital available; help shape investments.

## Detailed Look at Departments and Influence (2)

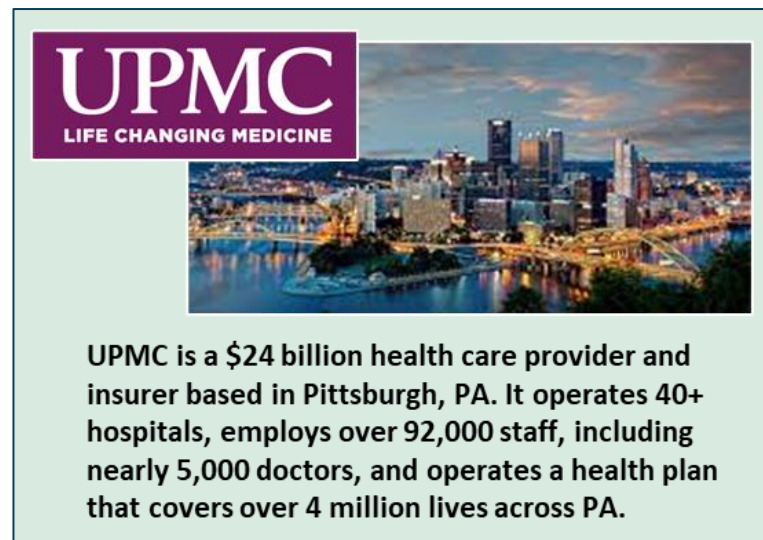
Department	Potential Contribution	Impact on Decisions
<b>Facilities/Real Estate</b>	Land and buildings owned by the health care organization, knowledge of the real estate market	Identify underutilized property; inform development strategy.
<b>Foundation</b>	Donor relations; connections to other foundations; program-related investments from the endowment; grants	Attract donors who might co-invest alongside your hospital.
<b>Government Relations</b>	Political capital and relationships; understanding of the priorities of local elected officials	Advocate for public policies that foster investments in community health.



# Case Study: Pittsburgh, PA

## Phase 1 through AIHC:

- The Shared Priority was to advance the strategies in a recent housing task force report
- The intended result was aimed at supporting 1,000 low-income rentals (roughly 5% of city need)
- Step 1 was to partner with a local CDFI to deepen and become more intentional in their “affordable housing” lending. This capital pool sought to:
  - Raise \$7.5M, **it achieved \$10M**
  - Leverage \$75M in project funding, **active deals total \$133M+**
  - Build or save 250 apartments, **nearly 500 were funded and 350+ are affordable**



UPMC is a \$24 billion health care provider and insurer based in Pittsburgh, PA. It operates 40+ hospitals, employs over 92,000 staff, including nearly 5,000 doctors, and operates a health plan that covers over 4 million lives across PA.

## This led to a second phase of their housing investment strategy:

- Where the Shared Priority was to slow the displacement of Black households from the urban core by preserve existing affordable rentals
- The intended result was to add preservation as a new approach and “save” 1,000 households from displacement - and use stakeholders with actionable data to find impactful solutions. This meant:
- Bringing in a new CDFI partner to the market and **raising \$10M in private capital for a new fund as strategy for activating more preservation buyers** projected to preserve 1,000 units at a minimum
  - **Advocating for ARPA** dollars to be used for aligned City and State programs (~\$109M)
  - Serving as a convener to **kick start a Pittsburgh Preservation Working Group**
  - Using limited **grant dollars** to enable a Community Based Organization to **staff up and run the group** as part of their housing goals and serve as a community advocate and deal spotter for this new fund.



# Case Study: Columbus, OH



Healthy Neighborhoods Healthy Families—a collaborative public-private partnership among Nationwide Children’s Hospital, a faith-based Community Development Corporation, United Way, and the Mayor’s Office—was founded in 2008 to improve child health in Columbus, Ohio.

- In 10 years, the partnership has produced roughly \$80 million in affordable housing development (completed or in process) on Columbus’s South Side.
- Utilized a guarantee as a financial incentive to unlock additional investment from partners
- More recently, HNHF expanded its efforts to the Linden neighborhood:
  - invested \$874K through the city Home Repair Program, repairing both owner-occupied homes and homes rented to low-income families
  - Began construction on 20 affordable rental homes; funding committed for 12 home ownership projects
  - Established the Linden Healthy Homes Fund - \$4.4M managed by a local CDFI, included hospital and health plan subordinated investment
  - Opened the Linden Fresh Food Market - provides free produce and groceries to households earning <200% of poverty level



Access more resources on our website:  
[centerforcommunityinvestment.org/resources](https://centerforcommunityinvestment.org/resources)

**Contact:**

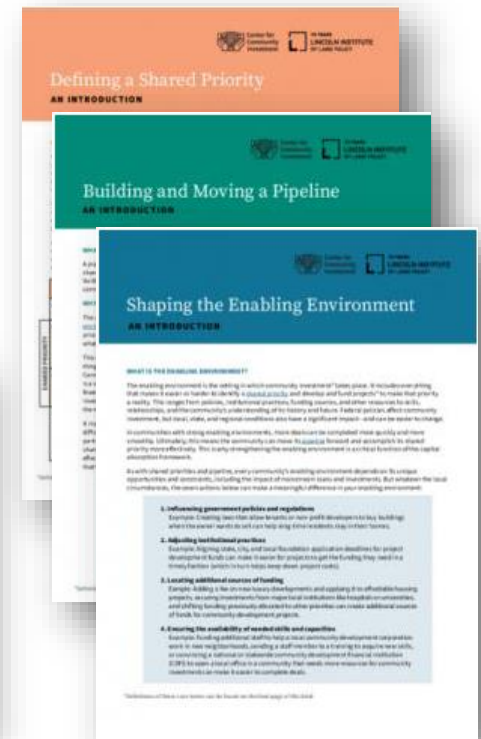
Nora Bloch

[nbloch@centerforcommunityinvestment.org](mailto:nbloch@centerforcommunityinvestment.org)



**From Silos to Collaborations:  
Building a Health Partner Investment  
Strategy**

October 2022



**Introductions to Capital Absorption:**

- Defining a Shared Priority
- Building and Moving a Pipeline
- Shaping the Enabling Environment

November 2021