

Expanding Place-based Investing Cohort

Summary of Outcomes and Learnings

Health systems play a critical role in advancing community well-being, not only through direct care but also by leveraging their financial resources to address non-medical drivers of health. Communities thrive when residents have access to safe housing, quality jobs, and economic opportunities—all of which positively impact health outcomes. Place-based investing is a powerful strategy for health systems to build stronger and more resilient communities by providing affordable, flexible, long-term capital to high-impact projects and organizations, while still producing a positive financial return.

The **Expanding Place-based Investing Cohort**, co-led by Healthcare Anchor Network (HAN) and the Center for Community Investment (CCI), was designed to help health systems build or strengthen their place-based investing strategies in partnership with community stakeholders. Three health system teams completed the cohort, which offered participants a series of peer learning forums, coaching sessions, and workshops designed around CCI's [Capital Absorption Framework](#). Through this cohort, health systems formalized commitments to place-based investing, established a pipeline of mission-aligned investment opportunities, and deployed more than \$20 million in place-based investment capital to support affordable housing and equitable economic development. This memo outlines key outcomes and lessons learned from the cohort, which took place between May 2023 and October 2024.

Place-based investments by health systems are most impactful when they arise through collaboration with community partners and with an intentional focus on lower income and underinvested communities. Without such partnership and intention, investments can be reactive, fragmented and ad-hoc, resulting in minimal impact on the community investment ecosystem. Given the shared mission of HAN's Anchor Mission Framework and CCI's Capital Absorption Framework to increase the flow of capital to communities, this cohort was created to guide health systems to deploy place-based investments in stronger alignment with the needs and desires of communities they serve.

Note: this memo uses “place-based investing” and “community investing” interchangeably.

Healthcare Anchor Network is a national network of 75+ nonprofit health systems committed to the health and economic wellbeing of the communities where they provide care. Place-based investing is a key component of the Anchor Mission Framework, which guides health systems to improve community wellbeing by leveraging all their assets, including their workforce, supply chain, and investing portfolios. By aligning these assets with community needs, health systems can create pathways for economic mobility and prosperity for residents across the health system's footprint.

HAN defines place-based investing as geographically targeted impact investing that produces positive community impact and financial returns. Place-based investments can take many forms including low-interest loans, equity investments in social enterprises, cash deposits in local credit unions, loan guarantees, or other credit enhancements. Such investments are separate from but complementary to other financial contributions which carry no expectation of repayment such as grants, donations, or gifts.

Place-based investments support stronger, more resilient local communities by enabling the production and preservation of affordable housing, improving access to affordable financial products and services in low-income communities, and otherwise strengthening community conditions that promote health and economic wellbeing. HAN works with its members to build buy-in for place-based investing across health systems, developing strategies, fostering peer learning, and helping to establish the internal structures and resources needed to deploy place-based investment capital.

Developed by the **Center for Community Investment (CCI)**, the Capital Absorption Framework guides community partners and stakeholders in a process to build an effective community investment ecosystem. The framework is built on three interrelated functions: articulating shared priorities, creating a pipeline of investable deals and projects, and improving the enabling environment to ensure community investments can move quickly and efficiently while centering equity.

The framework was developed to address the shortcomings of traditional financial systems, which disproportionately invest in well-resourced communities while systematically underinvesting in lower-income communities. CCI supports community leaders to use the capital absorption framework to empower residents and local organizations, engage anchor institutions, scale up development to the level their communities need, access new funding sources, and secure the resources (from land and money to skills and relationships) they need.

Summary of Outcomes

Below are the key accomplishments by the health system teams who participated in the Expanding Place-based Investing Cohort

- One health system focused its efforts on affordable housing development in a community that was recovering from the devastation of a recent environmental disaster. The health system coordinated efforts with local funders, community partners, and government officials to address barriers to affordable housing development and piloted a training and technical assistance program for nonprofit affordable housing developers. It invested \$10 million to rebuild up to 32 homes, which was a starting point in shaping a long-term strategy for developing workforce housing in a high-cost market. At the close of the cohort, the health system was working to convert a program-related investment into a revolving loan fund specific for that community, while linking together several sources of capital as part of a continuum of financing for housing development.

- Another health system closed on \$10 million in affordable housing investments within a defined set of low-income zip codes, built champions for place-based investing in key leadership positions in the organization, strengthened banking and community partnerships, and increased organizational capacity by bringing on new staff to advance its anchor mission commitments. Taking the learnings from the \$10 million pilot, the health system is now making the case for a long-term place-based investing allocation for the organization, informed by community partners and the experience from this cohort.
- The third health system met with a broad range of community stakeholders, secured a \$25 million allocation for place-based investing, and developed the necessary policies and guidelines to deploy place-based investments in a defined set of priority zip codes alongside other institutional investors. In 2025, the health system made its first investment by partnering with two other anchor institutions to collectively deposit \$15 million with a local CDFI credit union.

“This cohort pushed our team to really understand [the community’s] history, how things have come to be, and helped open the eyes of some colleagues who don’t understand how neighborhoods have been challenged over the years. Our organization’s vision statement is to create healthier communities, now and for generations to come. Our place-based investing (and anchor mission) commitments represent the generations to come portion of that vision.”

Cohort Design & Goals

Participants joined the cohort with varied knowledge of place-based investing concepts and models, with some having deployed place-based investment capital and others just getting started. The purpose of the cohort was for health system teams to build or strengthen their approach to place-based impact investing in conjunction with community partners, and sessions were tailored to match the unique contexts and pace of each team. To accomplish this goal, intended outcomes of the cohort were to:

- strengthen understanding of place-based investing and capital absorption among health system staff and executives.
- establish cross-departmental teams to share and sustain accountability for place-based investing during and beyond the cohort
- apply the principles of capital absorption to place-based investing program design: defining a shared priority (e.g., housing stability) and identifying a pipeline of investments that help achieve that priority (e.g., projects that preserve or build affordable housing)
- identify, engage, and establish formal (financial) relationships with community partners
- formalize processes for governance, sourcing, and evaluation of place-based investment opportunities in alignment with the shared priority.

Content delivered during the cohort included community investment basics—for example, elements of a capital stack, types of community partners and how to approach them, and impacts of redlining and other disinvestment tactics that have contributed to disparities observed in health, wealth, education, and economic mobility. CCI led exercises focused on navigating organizational behavior change (e.g., [adaptive leadership](#), [accountability pathways](#)) and strategy development, including [stakeholder mapping](#), the [spectrum of community engagement](#), and [strategy triage](#), many of which are included in CCI's toolkit: [Building a Health Partner Investment Strategy](#).

Teams refined their shared priority, agreed on investment selection criteria, strategized on how to build buy-in across the organization, and convened internal and external stakeholders and potential partners to move ideas into actions between sessions. Teams completed prep assignments—reading case studies, documenting progress and challenges, and action planning. While each team made their own decisions about strategies in their selected geographies, HAN and CCI served as a sounding board, providing accountability and guidance, ensuring a balance of structured time for ideation and learning, facilitating cross-team engagement, and dedicating time for teams to brainstorm and strategize together.

Key Learnings and Examples

Successful place-based investing by health systems requires more than financial commitment—it depends on strong executive support, cross-departmental collaboration, a firm understanding of community contexts, and a willingness to think long term. This section describes key learnings, highlighting the success factors and barriers that teams navigated while building internal capacity for place-based investing and strengthening community partnerships.

Learning #1: Executive support and adequate staffing are necessary to establish foundations for place-based investing by health systems.

Health systems often face a significant learning curve when getting started with place-based investing, especially when entering new markets or navigating needs across different communities. Developing a shared understanding of place-based investing across key departments and establishing proper governance and procedures requires time and coordination. With support from the board and executive leadership, adequate staffing for day-to-day program management, and strong lines of communication between all parties, place-based investing strategies can progress more quickly. However, executive support alone is insufficient to advance this or any new initiative. For a health system to progress, the executive team must adequately resource their teams to carry out the strategy or actively participate in the decision-making processes that keep the work moving forward.

For cohort teams, buy-in from leadership in early stages helped build momentum and was identified as critical for developing, sustaining, and expanding place-based investing efforts. Integrating executives into decision-making processes deepened their understanding of, and strengthened their commitment to, place-based investing. When senior leaders are supportive and understand the opportunity of place-based investing, they are more willing and able to navigate large, bureaucratic systems that may otherwise create delays in program implementation.

One team benefited from deep engagement of their executive lead throughout the cohort, who became a champion for place-based investing. This executive was instrumental in establishing a cross-departmental table of stakeholders to advance goals and successfully advocated for additional staffing to support implementation of their place-based investing commitment. Active engagement by that executive during in-person sessions positioned them well for future support and advocacy.

Another team devoted significant time at the start to conversations with community partners, which helped advance their knowledge of the place-based investing ecosystem within and across their markets. However, the team was operating with limited capacity and faced challenges in establishing and integrating processes that would allow them to move from ideas to action, causing progress to happen more slowly.

Learning #2: By understanding local contexts and building community partnerships, health systems can create a more organized and impactful community investment strategy designed for long-term outcomes.

Community-based organizations hold essential knowledge of history, players, and local contexts. By approaching community investment as relationship building rather than transactional, health systems can co-create solutions which address root causes of community disinvestment. During the cohort, participants deepened their knowledge of the Capital Absorption Framework as a model, however, the extent to which key concepts were directly applied to program development and design was mixed.

The Capital Absorption Framework calls for deep, cross-sector engagement, which requires time and trust building. Health systems, especially those spanning multiple states, must be intentional to develop a place-based investing strategy that is responsive to the needs of specific communities across their footprint. For example, housing affordability may be a top issue for some communities whereas economic mobility and quality job creation may be a priority for others. Cohort participants dedicated time to understanding the impacts of disinvestment in communities, developing a baseline knowledge of why place-based investments are needed. Proactive engagement with potential partners early on was also essential for teams to understand current investment opportunities and barriers. This foundational learning and relationship building helped expand the health system's knowledge of mission aligned organizations with whom they could partner and invest. When teams maintain transactional thinking or defer community conversations until their strategy is fully developed, they inevitably miss critical insights and opportunities for innovation and collaboration.

For one team, a deeply connected and knowledgeable Community Development Financial Institution (CDFI) was a vital ally, advising on the deployment of capital to fit the unique contexts of the community. This team was also particularly successful in seeing an investment pipeline as something that can inform a process toward a long-term outcome rather than a series of transactions. Applying the Capital Absorption Framework, they documented the pipeline of housing deals in the high-cost market where they were focused. In examining the pipeline, including where

projects were stalled or delayed, the team was able to better understand barriers for local investment.

The health system then worked with fund managers to adapt a national investment program to better service local needs, while simultaneously strategizing with partners to build up the availability of local capital. With consultation from their CDFI partner, the team learned there was a need to build the capacity of local housing developers to better meet the demand for new housing development. They worked together with additional partners to establish training for nonprofit housing developers, which helped those organizations build capacity and qualify for new capital sources including pre-development funding.

Building community partnership includes collaboration with other mission-aligned investors such as other health systems or health-focused foundations who can serve as mentors. One team benefited greatly from a partnership with several other anchor institution investors who provided introductions and guidance on processes, governance, and strategy. That health system will now have an opportunity to demonstrate its own leadership as it expands investment activity into markets with fewer institutional investors.

The presence of several mission-aligned investors in a community also creates a sense of healthy competition, which can accelerate adoption by those newer to place-based investing as a practice. In one community, a small, agile health system demonstrated an ability to move quickly on investment decisions in partnership with a knowledgeable CDFI, which motivated a larger health system in the cohort to match the pace of the smaller system.

Learning #3: When cross-departmental teams dedicate time and space to develop long term strategies, they can create innovative approaches to community wellbeing.

Participation in this time-bound, structured cohort created positive pressure to make decisions, facilitated internal and external partnerships, and provided health systems with a guided environment for learning and development. Participants valued the opportunity to connect with other health systems, share experiences, and learn from different contexts and approaches. The most cited benefit of the cohort was dedicated space to strategize together, which was critical for building confidence and alignment on investment priorities.

Further, a cross-departmental team and having the right expertise at the table advanced decision-making. Community health and treasury departments often share the management of place-based investing programs, with support from government relations, community engagement, real estate, social impact, and other departments. During the cohort, one health system broadened its team, broke down silos, and cultivated a strong leader as a champion. The team worked together to establish a stronger criteria for identifying and vetting investment opportunities and now meet regularly, with accountability no longer falling only to the treasury team, who had largely been operating reactively and independently. They continue to identify allies within the organization who can help keep the strategy on the leader's radar and tap into leadership networks through HAN.

Another team, despite initial efforts to involve government affairs and community engagement departments, was not able to sustain engagement by a diverse set of leaders within the organization. In a siloed approach, teams limit their ability to lean on leaders from other departments to secure resources or develop solutions to help overcome setbacks.

A mix of group learning, working time for teams, and tailored coaching—virtually and in person allowed for flexibility and responsiveness to teams’ individual needs. While all teams joined the cohort with some familiarity or experience with place-based investing, differentiated working time and coaching was necessary to account for each team’s pace of progress and unique challenges. The tools, templates, and exercises offered by CCI and HAN helped teams develop and refine their strategy to be tailored to the individual organization and the community where they were focused. Many participants acknowledged the benefit of in-person sessions in particular, with several references to the “community journey map,” which asked teams to document the history of events that shaped the current conditions in a underinvested community, as an exercise with lasting impact.

In-person gatherings every 6 months helped maintain energy throughout the 18-month engagement. The cohort started by grounding participants in core concepts, offered time for deeper connection among peers, and set a strong foundation for collaboration within and among teams and their leaders. A final reflection session provided space for teams to summarize key outcomes and strategize with peers on how they can overcome remaining challenges. The final session in person also involved peer organizations who were farther along in their own place-based investing efforts to ask critical questions and serve as mentors.

Conclusion

The Expanding Place-based Investing Cohort reinforced the importance of executive leadership and community partnerships in efforts to increase the flow of capital in historically underinvested communities. Health systems that approach place-based investing with a “systems thinking” perspective and integrate place-based investing into their broader organizational strategy—rather than approaching investment as a series of isolated transactions—are better positioned to create lasting impact. The cohort model can be an effective approach for building internal capacity, aligning cross-functional teams, and sustaining momentum in place-based investing. As health systems continue to navigate the complexities in this space, the insights from this cohort offer a guide for those looking to accelerate their role as partners in community investment.

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