

## PRINCIPLES FOR HEALTHY AND AFFORDABLE HOUSING

*We support healthy and affordable housing for all as a foundation for healthy, vibrant communities and inclusive growth.*

Good health requires that all of us live in homes that we can afford. A stable place to live supports the health of all people across the life course, as well as creates thriving communities.

*Healthcare Anchor Network (HAN)* members are at the forefront of a growing movement of hospitals and health systems working to deploy their institutional resources to tackle the social and economic determinants of health. For a hospital, addressing housing, one of the most important social determinants of health, isn't just the right thing to do for our patients and communities—it also helps bend the cost curve by creating a healthier community. Health outcomes improve and health care costs decline after people move into affordable housing.

Hospitals and health systems can be critical partners in addressing housing insecurity and supporting community stewardship of land and housing. As some of the key employers in our neighborhoods, not being able to afford a home also impacts our ability to attract and sustain our workforce.

As locally rooted institutions, we are committed to partnering to solve these critical community challenges to improve health and well-being. We can work with expert partners, such as community development corporations (CDCs) and community development financial institutions (CDFIs), which are key to the ecosystem needed to support affordable housing, but which are often under-resourced.

The goal of stable and healthy homes that people can afford is a complex challenge that will require a range of different approaches and policy tools. Many health systems are investing in housing directly, but we need policy solutions, including policies that support and incentivize this work through tax and payment structures, and maintaining and expanding federal housing investments.

## HOSPITALS AND HEALTH SYSTEMS ENDORSING THE PRINCIPLES FOR HEALTHY AND AFFORDABLE HOUSING:

ADVENTHEALTH

ALAMEDA HEALTH SYSTEM

BOSTON MEDICAL CENTER

CHILDREN'S HOSPITAL OF PHILADELPHIA

CHRISTUS HEALTH

CLEVELAND CLINIC

COMMONSPIRIT HEALTH

DARTMOUTH-HITCHCOCK HEALTH

EINSTEIN HEALTHCARE NETWORK

FRANCISCAN MISSIONARIES OF OUR LADY  
HEALTH SYSTEM

GEISINGER HEALTH SYSTEM

GUNDERSEN HEALTH SYSTEM

HENRY FORD HEALTH SYSTEM

KAISER PERMANENTE

NORTHWELL HEALTH

THE METROHEALTH SYSTEM

PROMEDICA

PROVIDENCE ST. JOSEPH HEALTH

RUSH UNIVERSITY MEDICAL CENTER

RWJBARNABAS HEALTH

TRINITY HEALTH

## HEALTHY AND AFFORDABLE HOUSING

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## HOSPITALS AND HEALTH SYSTEMS ARE SUPPORTING AFFORDABLE HOUSING

**CommonSpirit Health** has a foundational commitment to building healthier communities and recognizes that health equity requires safe and affordable housing and access to capital, jobs, nutritious food, and health care. The organization operates a \$200 million loan program that supports economic development and addresses housing insecurity in low-income communities. CommonSpirit deployed more than \$30 million in 2019-20 to an array of projects: connecting people who are homeless with jobs; developing a homeless center that will provide basic food, services, and 81 units of housing; expanding a Federally Qualified Health Center that will serve 10,000 new patients; and providing access to flexible capital for developers to purchase and refurbish blighted homes for struggling families and seniors.

**Kaiser Permanente:** In May 2018, Kaiser Permanente announced an impact investing commitment of up to \$200 million for the Thriving Communities Fund; to-date \$140 million have been committed towards affordable housing production and preservation. The RxHome Fund, created in partnership with Enterprise Community Partners, provides \$100 million in low-cost, long-term loans to create and preserve multifamily rental homes for low-income residents. The Housing for Health Fund plans to raise at least \$85 million to provide equity capital for preserving affordable housing in the San Francisco Bay Area.

*See a full list of HAN member housing activities on pages 4-8.*

## KEY FEDERAL PROGRAMS & PROPOSALS

**Low-Income Housing Tax Credits** support private investment in the production and preservation of affordable rental housing. Since 1986, Low-Income Housing Tax Credits have been used to finance nearly 3 million affordable housing units.

**HOME Investment Partnerships**, managed by HUD, provide funding to state and local governments to build, buy, and rehabilitate affordable housing for rent or homeownership, and provide rental assistance to low-income people.

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### ACCESS TO AFFORDABLE HOUSING IMPROVES HEALTH OUTCOMES

Stable, affordable and healthy housing is essential to community health and well-being. **According to the American Hospital Association**, a substantial body of research demonstrates that providing a clean, safe place to live, regular nutritious meals, or more job opportunities have a profound and positive effect on health.

**A study by the Robert Wood Johnson Foundation** shows that community members who cannot afford healthy housing are more likely to encounter environmental toxins like lead paint, poor indoor air quality from factors like mold, inadequate heating or cooling— all clearly linked to specific health disorders like asthma or nervous system damage. Meanwhile, the stress associated with precarious or inadequate access to housing leaves these community members that much more vulnerable to poor health.

Leading health industry stakeholders continue to shine a light on the connection between homelessness and poor health outcomes. **Studies show** that homeless children are more vulnerable to mental health problems, developmental delays, poor cognitive outcomes, and depression than children who are stably housed.

## INVESTING IN HOUSING MAKES GOOD HEALTH SENSE

Unstable housing among families with children will **cost the U.S. \$111 billion** in avoidable health and education expenditures over the next ten years.

Hospitals and provider organizations can reduce spending substantially when they connect people to services that address social determinants of health, such as secure housing, medical transportation, healthy food programs and utility and financial assistance. One study found an additional **10 percent reduction in healthcare costs – equating to more than \$2,400 in annual savings per person** — for people who were successfully connected.

Another study shows that the provision of affordable housing **decreased Medicaid expenditures by 12 percent**. At the same time, **use of outpatient primary care increased by 20 percent and emergency department use declined by 18 percent**.

Medical respite programs, which provide temporary medical care and a safe place to recuperate for homeless persons who don't need to be admitted to a hospital, reduced Emergency Department visits by 45% and readmissions by 35% for a **savings of \$1.81 for every dollar spent**.

New York City's Montefiore Health System has achieved a **300% return on investment** for homeless patients by investing in housing, a move that has cut down on emergency room visits and unnecessary hospitalizations.

# HOW HEALTHCARE ANCHOR NETWORK MEMBERS ARE SUPPORTING AFFORDABLE HOUSING IN THE COMMUNITIES THEY SERVE

**AdventHealth** Orlando, formerly known as Florida Hospital, donated \$6 million over three years (2015–2018) to address homelessness in Central Florida to help chronically homeless individuals, including veterans, who need permanent housing and help from social workers, health care and mental-health providers to stay off the streets. The funds were placed into a “homeless impact fund” established and managed by the nonprofit Central Florida Foundation.

In 2017 a nonprofit donated the Wayne Densch Center for the homeless to AdventHealth Orlando who, in turn, leased the property to Ability Housing for \$1 per year. With funding from Orange County, Ability is redeveloping the center to provide permanent housing for individuals and families. The foremost goal for the renovated Wayne Densch Center is to provide permanent supportive housing for families, but some units may be designated as transitional care units for homeless patients discharged from Florida Hospital.

**Baystate Medical Center** announced in 2017 that it is making a \$500,000 investment in Revitalize CDC and HAP Housing in Springfield to support their efforts to improve community health through improved housing and community development activities. The three-year investment marks the largest CITC investment ever made by a health care institution and represents a groundbreaking milestone in the growing convergence between the community development and public health fields.

- Revitalize CDC will receive \$250,000 to support a three-year effort to improve housing conditions for children with asthma and to make home improvements that allow seniors to safely remain in their home. The project will leverage Revitalize CDC’s remarkable volunteer network, enabling these home improvements to be done with high quality and low cost.
- The investments are part of Baystate’s Better Together grant program. Baystate is able to utilize the CITC even though it is a not-for-profit without any tax liability because the CITC is refundable. Therefore, Baystate has already announced that it will use their \$250,000 CITC “refund” to support additional community health programming in the coming years.

In **Bon Secours Mercy Health System**, a not-for-profit Catholic health system, many markets are working with community members to assure the availability of quality, affordable housing. In West Baltimore, in response to a community engagement process, Bon Secours Baltimore helped build more than 800 units of affordable housing using Low Income Housing Tax Credits and worked with residents to convert more than 640 vacant lots into green spaces, in partnership with Enterprise Community Partners. The Baltimore market is also working with the Cincinnati market to leverage lessons learned to create an affordable housing strategy that is tailored to the community’s needs.

In Richmond, Virginia, the System has partnered with and helped fund the Maggie Walker Community Land Trust; in March 2018, Richmond City Council voted to designate the land trust as the City’s land bank, making it the first combined CLT/land bank in the nation. Bon Secours Greenville partnered to create the Sterling Land Trust with residents and community groups to ensure long term housing affordability, vibrancy and to maintain the historic legacy of this South Carolina community.

**Boston Medical Center** is building creative housing partnerships utilizing multiple funding mechanisms and strategies:

Through Determination of Need, BMC has designated \$6.5 million over five years to support a wide range of affordable housing initiatives. The initiative includes:

- An interest-free loan for a healthy, affordable grocery store at an affordable housing development in Roxbury
- Investment in the Healthy Neighborhoods Equity Fund
- Support for on-site resident services in elderly and family housing developments
- Creation of a housing stabilization fund

Through philanthropic support, BMC has created Housing Prescriptions, a program that provides housing, legal, and social services and supports to patients, both adults and children, with complex medical issues and health-harming housing needs.

Through innovative partnerships, BMC is co-locating housing services within pediatric clinics as a strategy to remove barriers for families needing housing assistance.

**Children's Hospital of Philadelphia** In July 2019, CHOP launched a \$25 million community impact initiative called Healthier Together to tackle the social determinants of health as a path to improving the health of children. Healthier Together focuses on some of the most pressing needs in the communities surrounding the hospital, including trauma, hunger, poverty, and housing. Under the housing focus area, CHOP expanded on a pilot program and provided a community benefit grant to the nonprofit Philadelphia Housing Development Corporation (PHDC) to address the impact of unhealthy housing conditions on pediatric asthma patients in West Philadelphia, where one in every four children have asthma.

As part of CHOP's efforts to create a more inclusive economy in Philadelphia, PHDC hires 100% MWBE contractors to make basic home repairs to address asthma "triggers." Some asthma triggers include poor air quality that is linked to inadequate heating, ventilation, air conditioning, and mold that is caused by water damage and leaky roofs. CHOP is also tracking the indoor air quality by installing air quality monitors to measure the particulate matter in the home before and after the repairs are complete. The new program has a goal of repairing up to 100 homes in Phase 1.

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**Gundersen Health System** utilizes its real estate holdings to support the creation of affordable housing. Gundersen leveraged its assets to assist with community revitalization in the development of sixty-eight units of affordable housing (out of a total of eighty-five) at Gund Brewery Lofts. Within walking distance to Gundersen's La Crosse campus, Gund Lofts opened in 2007 in an area that the City of La Crosse is striving to redevelop. To enable development, Gundersen provided the land and the 58,000-square-foot historic Gund Brewery to a private developer, who executed construction using Low-Income Housing Tax Credits and Historic Tax Credits.

In addition, the health system partnered with the City of La Crosse on the Zahn site development, a mixed-use housing development where a vacant blighted building and underutilized city park once stood.

**Henry Ford Health System (HFHS)** joined with other local anchor institutions as major funders and supporters of Midtown Detroit Inc. (MDI), a nonprofit community development organization that addresses the challenges and opportunities, and supports the development and improvement of, the greater Midtown Detroit community. MDI's work includes planning and economic development, community and real estate development, and beautification of the neighborhood. MDI spearheaded and shepherded the broad redevelopment of Detroit's Midtown district, with an emphasis on retaining affordability in housing. HFHS and MDI are launching a grant-funded owner-occupied home repair program this year. Independently, HFHS has partnered with real estate developers to sell them vacant and distressed properties under contractual agreements to invest, which will create 50 new mixed-income housing units.

**Intermountain Healthcare**, a not-for-profit health system operating in Utah, Idaho, and Nevada, has committed to addressing the social determinants of health across its service area. Safe, healthy, affordable housing is of interest to Intermountain Healthcare as explosive population growth in the region it serves has created a crisis of affordable housing for people living below 80 percent of the area median income. Intermountain's initial effort to address the housing gap is to take a lead role in developing the Utah Housing Preservation Fund. This housing fund will be led by an advisory committee that will identify and purchase affordable properties that are at risk of transitioning to market rate. The Fund's advisory committee will then provide necessary upgrades and remodeling to ensure a healthy and safe living environment and will operate purchased properties as affordable properties through Intermountain's operating partner, the Utah Nonprofit Housing Corporation. Intermountain is planning to make an initial commitment of \$5,000,000 in subordinate loans to the Fund.

Additionally, Intermountain is working alongside other community partners to address the social determinants of health. One example of this work is a \$5,000,000 investment with Community Capital Management, an investment management company that provides a critical source of liquidity for financial institutions originating loans for affordable housing, renewable energy projects, and municipal infrastructure in rural areas. Intermountain is also developing a direct loan program, which it will be able to use to make loans directly to non-profits that are working to address the social determinants of health.

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Kaiser Permanente has supported several state and local bond measures, including financial support of pro-housing campaign measures. In 2016, Kaiser Permanente invested in the development of Central City Concern (CCC), a development with more than 370 affordable housing units, built in conjunction with a health care facility. The new housing units will be prioritized for high users of health care services who are medically or psychiatrically compromised and at the greatest risk for harm on the street.

In addition, Kaiser Permanente is contracting with many national and local nonprofits to support affordable housing. Their partnership with the national nonprofit Community Solutions on the Built for Zero initiative is working to accelerate the end of homelessness in 25 communities in California, Colorado, Georgia, Hawaii, Maryland, Oregon, Washington, Virginia, and Washington, D.C. Through the partnership with Community Solutions, Kaiser Permanente has catalyzed momentum to end chronic homelessness in Bakersfield, Kern County; Kern County will soon be certified as the first county in California—and one of five in the nation—to end chronic homelessness. Further, our partnership with Community Solutions has accelerated a large scale change effort to end homelessness in Colorado, through the establishment of a statewide partnership among Kaiser Permanente, Community Solutions, and the Colorado Division of Housing. In Denver, CO, Kaiser Permanente is providing support for a feasibility study which informed the creation of an \$8.6 million social impact bond. The bond funded a housing program for 250 of the city's most frequent users of the criminal justice system.

Kaiser Permanente has had significant momentum on efforts in California to address the housing and homelessness crisis. Kaiser has partnered with a homeless service provider, Bay Area Community Services, and successfully provided stable housing and supportive services to more than 500 seniors with chronic medical conditions in Oakland, California. In February of 2020, we also launched a major effort in Sacramento, in partnership with Sacramento Mayor Darrell Steinberg and county leaders, to help the Sacramento area address homelessness and housing insecurity with a \$32 million commitment of funds.

Across the state of California, Kaiser Permanente was a first private sector contributor to California Governor Gavin Newsom's newly announced \$750 million California Access to Housing and Services Fund to combat homelessness in the state, committing \$25 million to the effort. This pledge supports efforts statewide across Kaiser Permanente's footprint and builds on the \$200 million in impact investments that Kaiser Permanente has announced in recent years in support of community health mainly focusing on affordable housing. It also complements ongoing sustainable rapid-housing programs and efforts to strengthen systems that can end chronic homelessness.

Kaiser Permanente is also addressing affordable housing through public policy. Kaiser Permanente is the single-largest corporate sponsor of Mayor's & CEOs for U.S. Housing Investment, a bi-partisan coalition that advocates for Federal investment in housing and aims to ignite a national conversation to remind the nation that housing is pro-family, pro-jobs, and pro-investment. CityHealth, an initiative of Kaiser Permanente and the de Beaumont Foundation, is promoting inclusionary zoning policies that require or provide incentives for developers to include a minimum amount of lower-income housing in new market-rate developments. Kaiser Permanente supported a \$4 billion California housing bond, approved by voters in 2018, that will create new affordable housing and provide low-interest housing loans to veterans.

**Providence St. Joseph Health** has a Community Investment Fund that provides capital in the form of loans, deposits, or other support to nonprofit entities to promote social good and the development of healthier communities. These loans enable community organizations that serve low-income and other vulnerable populations to achieve their full potential and play a major role in the regeneration of their communities. Some of the programs that have received support include affordable housing, economic development and social service programs, food programs and other direct service programs, educational and job expansion programs. The health system has a Housing is Health Initiative where each of the system's region will develop a multi-year approach to tackling the issue of housing and homelessness in their communities.

Two examples of the health system's placed-based investing efforts that totaled over \$9 million in loans include:

- Providence Home and Community Care was granted a loan to support efforts to close on a project to create Dolores House, a 16 unit, 30 bed housing project for low-income individuals with disabilities.
- Jamboree Permanent Supporting Housing was provided a bridge loan in 2019 until permanent financing was available in 2020 for the purchase and conversion of an Econo Lodge to permanent supportive housing units.

**RWJBarnabas Health**, the largest integrated health care system in New Jersey, works directly with diverse stakeholders to co-design housing initiatives that directly address the needs of communities within the region.

Based on the specific needs of each community, RWJBarnabas Health proactively works with diverse stakeholders across the region to co-design projects that offer safe, stable, and affordable housing to those in need. In 2019, RWJBH has helped to ensure that over 1,100 individuals are living in safer and more affordable housing. Within the region, there are five active housing projects, with a new one announced for 2020!

#### Essex County

**Family Village in Newark.** Fifty-five vacant properties are being transformed into 100 safe, healthy and affordable housing units in Newark's South Ward for low-income families. Residents gain access to educational and workforce development services, and comprehensive long-term support to improve family stability, homeownership opportunities, and academic success. As of December 31, 2019, 63 units were completed.

**Bergen Street Family Project.** A new project as a part of the NJ Housing and Mortgage Finance Agency's Hospital Partnership Subsidy Program, RWJBH and its partners will build 65-70 units of affordable housing on Bergen Street in Newark, an estimated 15 units will be dedicated to individuals who are facing housing insecurity and high utilizers of the Emergency Department. There will be commercial space and supportive services provided for tenants.

#### Hudson County

**"Familiar Faces" Housing for the Jersey City Homeless.** Offers case management for individuals who frequent the emergency department, shelters, and/or correctional facilities. For those individuals who qualify, they are provided a Housing Choice rental assistance voucher from the NJ Department of Community Affairs, which allows them to move into safe rental units. In 2019, 21 housing vouchers were distributed through the program.

#### Middlesex County

**Healthy Housing in New Brunswick.** Provides in-home assessments to uncover unhealthy conditions such as mold, lead, pest infestation, and asthma triggers such as cockroaches and chemical fumes. Promotoras or Healthy Housing Workers then refer tenants to services for remediation. In 2019, over 140 homes were assessed for toxins and unhealthy practices, providing education and assistance to over 800 individuals.

**Coming Home Middlesex County.** Identifies individuals who are high utilizers of emergency department, shelters and/or correctional facilities, provides case management and connects them with person-centered health and social services including the necessary supports within Middlesex County. Similar to Familiar Faces, eligible individuals are provided housing rental vouchers. Since program inception, we have seen declines in emergency room usage and incarceration.

#### Somerset County

**Healing Homes Somerset.** Robert Wood Johnson University Hospital Somerset offers transitional housing to an individual or family in Somerset County for up to 24 months who has become financially unable to afford housing due to a chronic or acute health condition. A case manager matches the residents with community resources that assist with employment, transportation, social services, and permanent housing. The family is encouraged to save money during their stay, which is then matched by one of our partners.

**The MetroHealth System** announced a \$60 million investment in the Clark-Fulton neighborhood apartments that will create around 250 apartment units near the hospital's main campus on what is now a parking lot (72 units will be affordable units). The affordable-housing project is a collaboration with neighborhood partners and features a mix of one-, two- and three-bedroom apartments that will be available to people who earn between 30% and 80% of the area's median income (AMI).

Community meetings helped determine what amenities will exist for the ground floor commercial spaces. Each of the three buildings will have first floors dedicated to improving neighborhood health and well-being:

- 36,000 square feet of commercial and retail space offering a grocery store, fitness center, childcare facilities, community spaces, and more for residents and guests.
- A Economic Opportunity Center that will offer job training and other services to community residents.
- A Tri-C Access Center offering high-quality educational training.

The housing projects are not being funded by the bonds, but by traditional development financing tools such as loans, equity and possibly low-income housing tax credits for the affordable housing project. MetroHealth sees the new investment as an opportunity for the hospital to contribute to the revitalization of the Clark-Fulton neighborhood and to address the social determinants that impact the health of individuals and communities.

**Trinity Health** allocates investments to financial intermediaries, including community development financial institutions (CDFIs), loan funds and other investment managers, to support access to affordable housing and supportive housing. At present, more than 40 percent, or \$15.4 million, of Trinity Health's deployed loan portfolio supports the creation of affordable and supportive housing, including loans of nearly \$5 million with Mercy Loan Fund (Mercy Housing). An additional \$7.6 million is committed to future housing initiatives that will launch in the next two years. Some examples of Trinity Health's recent affordable housing investments include:

- An investment of \$3.5 million in Bethlehem Haven, a Pittsburgh-based social services nonprofit, to construct a 38-unit affordable housing development in Pittsburgh, PA to serve individuals who are formerly homeless, at risk of homelessness, and/or have a disability.

- A \$1 million investment in Cinnaire, a CDFI serving the Midwest and Delaware, to finance the acquisition and renovation of vacant and blighted properties in distressed neighborhoods in Wilmington, DE.
- A loan of \$1 million to support the construction of Patriot Village II in Trenton, NJ – a 72-unit affordable housing development that is targeted to serve families and individuals making 60% of area median income.

**Rush University Medical Center** is investing more than \$6 million over the next three years in organizations that are working to revitalize neighborhoods on the West Side of Chicago. The first of Rush's "social impact investments" – loans that provide both an economic and social return – is a \$1.08 million loan to the CDFI Chicago Community Loan Fund. Rush's loan is part of a larger \$6 million investment as part of the city of Chicago's Neighborhood Rebuild Training pilot program, which will be used to convert 50 vacant buildings in distressed Chicago neighborhoods into single family or two-flat homes over the next three years.

Local contractors will hire and train about 200 ex-offenders and at-risk Chicago youths to help rehabilitate the homes, which then will be sold at affordable rates. The city of Chicago and Rush announced the investments on Sept. 13, 2017. In August 2017, Rush also invested \$1 million in IFF, the largest nonprofit CDFI in the Midwest, to fund a series of projects that will also address socioeconomic challenges linked with poor health.