



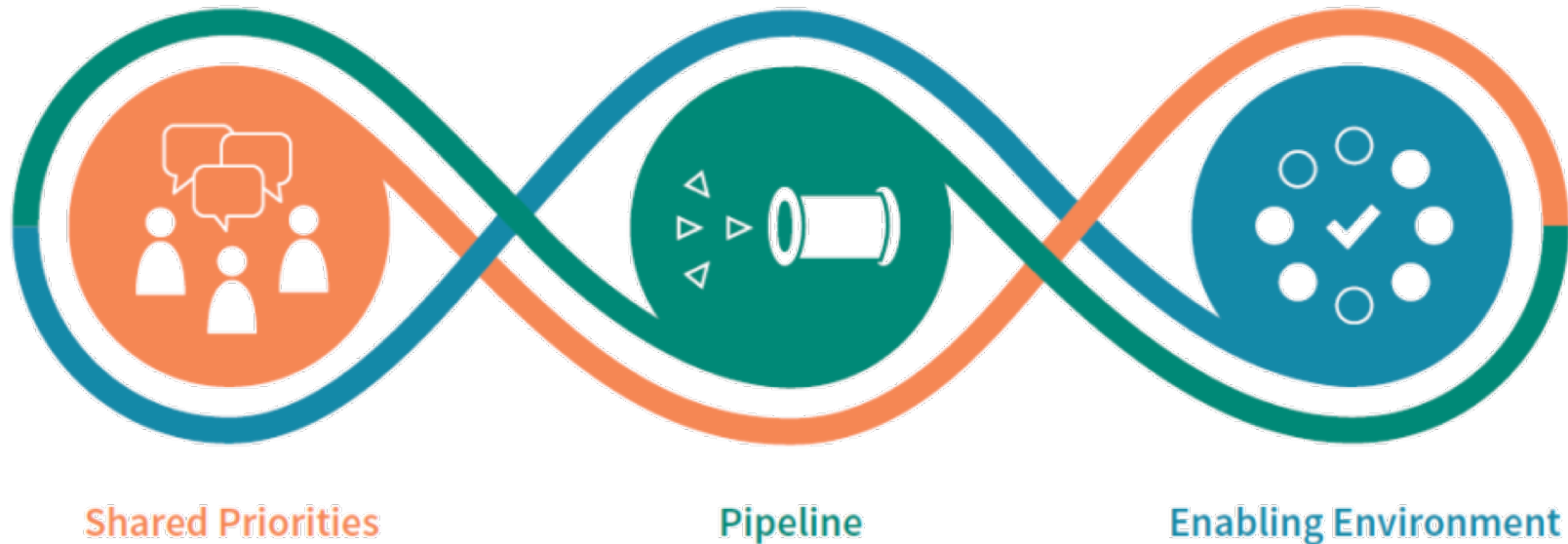
LINCOLN INSTITUTE
OF LAND POLICY

UNLOCKING INVESTMENTS TO IMPROVE COMMUNITY HEALTH

Strength Matters Annual Meeting
Dallas, TX
September 16, 2019

Robin Hacke
Executive Director

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

Accelerating Investments for Healthy Communities

■ Goals:

- Deepen and accelerate investment by leading health systems in affordable housing
- Help hospitals and health systems harness all their assets – financial resources, land, expertise – to achieve their full potential as actors in the community investment system
- Light the path for other health systems to follow

■ Targeted Results:

- Build partnerships with a diverse array of stakeholders
- Help communities articulate and achieve their affordable housing priorities
- Identify/develop and execute a pipeline of affordable housing projects that address community priorities
- Improve the enabling environment in which deals and projects take place
- Ensure pipeline and enabling environment efforts advance priorities shared by those most affected by health inequities
- Share experiences to promote progress at the field level

Participating AIHC Institutions & Focus Regions



Baltimore, MD
Cincinnati, OH



Boston, MA
(Roxbury &
Dorchester
neighborhoods)



San Bernardino,
CA



Prince George's &
Montgomery Counties,
MD



Columbus, OH



Pittsburgh, PA

Motivations for Investing Upstream

1. **Mission:** Foster healthier communities
2. **Institutional self-interest:** Ensure that relationships with the community and the public sector position the institution to gain needed approvals (e.g. zoning, mergers), preserve tax-exempt status, and win contracts
3. **Financial returns:** Generate positive ROI
4. **Strategy:** Gain experience with strategies that reduce costs and improve outcomes as preparation for payment shifts from volume to value (“skate where the puck is going”)
5. **Competitiveness:** Improve vibrancy of the surrounding community in order to strengthen the institution’s ability to attract and retain patients and staff
6. **Compliance:** Meet requirements to serve the community; avoid penalties (e.g. for readmissions)



What It Takes for Health Systems to Invest Upstream Successfully

Upstream investment by health systems requires not only action by systems themselves, but also the existence (or creation) of threshold conditions in the community



Health System

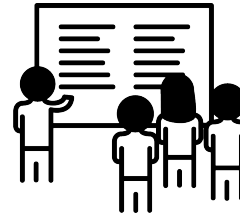
Champion: Respected leader takes on the issue

Leadership buy-in: Institutional leadership (board, CEO) recognizes value and authorizes staffing and resources

Goals: System formulates coherent enough goals to explore/prioritize options

Partners: System identifies and builds trust with partners that can develop, finance and manage deals that advance impact and avoid unintended consequences

Capacity: Health system needs capacity to review/act on investments



Community

Shared priorities: Channels for expression of community voice exist

Pipeline: Investable deals already exist or health system helps to create initial batch

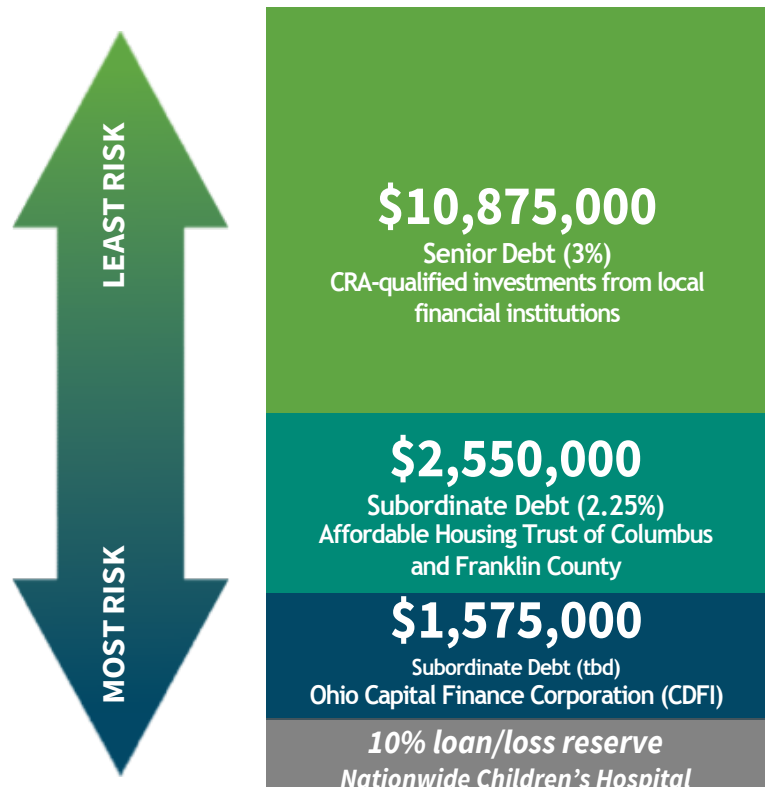
Platform: Stakeholders advocate for supportive policies and practices, including funding sources

Gives and Gets: Affordable Housing Developers

Gives: What capable mission-aligned affordable housing developers can offer hospitals	Gets: What mission-driven developers might get from hospitals
1. Ability to execute important projects in disinvested or rapidly gentrifying neighborhoods	1. Land at below-market price
2. Understanding of market forces and what is feasible	2. Support (financial or in-kind) for resident services, including telemedicine, transport to health care providers, nutrition programs, etc.
3. Stabilization of neighborhoods around medical campus	3. Influential supporter on policy and regulatory issues
4. Community ties	4. Anonymized data about local needs
5. Low-risk, high impact mission investment opportunities	5. Financing – pre-development, equity, guarantee, patient loan capital
6. Platform for improving health outcomes and reducing spending on unneeded healthcare services such as emergency room visits	6. Anchor tenants or master leases for ground-floor spaces in new mixed-use developments
7. Development of workforce housing	

Healthy Neighborhoods, Healthy Families

South Side Renaissance



Purpose: Preserve affordable housing through acquisition, rehab, and operation for 10 years. Repayment in year 10 from the sale of rehabilitated units or by refinancing the outstanding debt.

Lending: Loan funds will cover 75% of the development cost of each unit. The balance comes from grants from the United Way of Central Ohio, the Franklin County Land Bank, HOME funds, or JPMorgan Chase and Lead-Safe grant funds.

Interest rate: Borrowers will pay an anticipated blended rate of 3.0%.

Repayment: 95% of all unit rental income will be applied to the payment of accrued interest and principal. The remaining 5% will be held in as a replacement reserve managed by a joint entity that includes the hospital and a local CDC.

To Learn More

Access the resources on our website:
centerforcommunityinvestment.org

Contact:

Robin Hacke

Executive Director

rhacke@centerforcommunityinvestment.org



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