Innovative Community Investment Strategies: The Current State Of Practice & A Vision For Greater Implementation In Southern California

June 30, 2020
Opening Remarks
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Report & Recommendations
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Best Practices
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Overview of Report & Recommendations

Partnerships between hospitals and health systems, public health and community development sectors and community-based organizations represent a major opportunity to significantly improve the health of neighborhoods and the people who live in them.
Why Did We Produce This Report?

Interest in community investment strategies by the health care, public health & community development sectors

Desire for greater exploration and implementation in Southern California

Lack of comprehensive inventory of strategies and best practices
Innovative Community Investment Strategies

- Investments in prevention and the social determinants of health that improve community conditions
- Utilizing non-traditional funding sources and strategies
- Building and leveraging partnerships between sectors
- Aligning and optimizing limited resources and thinking creatively to fund community health needs
Investment Strategies Examples

- Blending & Braiding Funding
- Accountable Communities for Health
- Structured Funds
- Community Development Financing Institutions
- Anchor Institutions
- Procurement Practices
- Social Impact Investment and Pay For Success Strategies
- Opportunity Zones
- Medicaid Demonstration Waivers
- Program-Related Investments
Example: Racism Is A Health Crisis

**Anchor Institutions**
- Services
- Hiring Programs
- Community Investments
- Pharmacies & Groceries
- Restoration and Rebuilding
- Listening

**Models**
- Cherished Futures
- Chicago Healthcare Institutions
Affordable housing
Local hiring and procurement
Access to safe, convenient transportation options
Healthy food options
Childcare & early childhood education facilities
Federally Qualified Health Care Centers
Workforce development and training
Parks and recreation
Arts and culture opportunities
Small business creation, growth, and retention
Renewable energy and energy efficiency
Report Methodology

120+ Literature Review

52 Place-Based Initiatives Inventory

25+ Key Informant Interviews
**Key Findings**

- **Momentum Increasing**
- **Most literature focused on case making**
- **Backbone organization is needed to ensure long-term sustainability**
- **Philanthropy is key funder of partnerships & investments**
- **Emerging evidence of organizational realignments of priorities and resources across sectors**
- **Partners are working to address common investment challenges in creative ways**
The Importance of Partnerships

- Building partnerships between sectors is important 1st step
- Executive-level champions are key
- Partnerships can still be siloed
- Community engagement is often overlooked
- Several multi-sector partnerships have emerged as early adopters and leaders
- Knowledge building between sectors is needed
- Public health is often missing
The Important Role for Public Health

- Partner building with key sectors
- Advising on selection of interventions, investments, & sites
- Providing data & health info on community needs and inequities
- Supporting wrap-around services
- Aligning departmental resources
- Bringing a Health in All Policies approach
- Aligning with Community Health Assessments & Improvement Plans, etc.
- Assisting with community engagement
- Insight on government investment areas, where appropriate
Important Role of Hospitals & Health Care

Providing capital investments like pre-development loans, bridge loans, revolving loan funds, scholarships, low-interest loans or financing

Using an anchor institution strategy in supporting the community health needs of surrounding neighborhood

Donating, leasing, or offering joint use of hospital-owned land

Expanding community benefit dollars to address the social determinants of health

Aligning investments with resources provided by multi-sector partners

Becoming a formal & active participant in multi-sector efforts
Important Role of Community Development

- Identifying community cross-sector partners that have a stake in improving the lives of the populations they serve.
- Determining the readiness of other sectors to participate in a collaboration.
- Coordinating place-based investments with hospitals and health systems, public health departments, and others.
- Performing a landscape assessment of potential partners.
- Leveraging community development assets, through direct investments or as part of a planning or health needs assessment process.
- Creating a “Partnership Road Map” to collaboration identify opportunities.
There is no “one-size-fits-all” approach or magic bullet

Dependent on:

• Partners at the table
• Capital and resources available
• Leadership buy-in and commitment
• Political environment
• Other factors unique to each partnership and community
Data Sharing

Common challenge shared by partners in these efforts

Legal advice often needed to navigate data sharing challenges

Publicly accessible mapping tools such as the CA Healthy Places Index for accessing social determinants of health data across geographies

Needs to be addressed early in partnerships

Philanthropy playing strong role in data sharing collaboration

Data information exchanges emerging

Clearinghouses exist to collect sample data sharing agreements, but the process is not uniform
Recommendations

Building partnerships is essential first step. Time should be initially devoted to matchmaking.

In the early adoption phase, partners should be patient, flexible and open to experimentation.

Public health departments should be core partners in all innovative community investment strategies.

Hospital leadership could play a stronger role in championing innovative community investment strategies in Southern California.

The community development sector in Southern California should strategically partner with the health care and public health sectors.

Each sector should think outside their traditional funding mechanisms and explore greater alignment with resources in other sectors.
Recommendations

- **Conduct a landscape analysis of funding sources to identify potential community investment mechanisms.**
- **Community investments should support multiple social determinants of health.**
- **Evaluation measures should go beyond ROI and include health and equity outcomes.**

- **Overcoming data sharing challenges is paramount to success and examining ROI.**
- **Be aware of unintended consequences and be proactive in addressing them.**
- **State policies should enable and potentially fund local innovative financing strategies.**
Conclusion

• There is no magic bullet or singular approach: there are many models to explore, and flexibility in what types of investments are made in the community

• The public health and health care sectors have a significant opportunity to explore these innovative strategies more intentionally and strategically

• This an area of incredible interest and opportunity

• Taking time to build multi-sector partnerships is essential
Explore More!

Appendix A: Literature Review Matrix

Appendix B: Place-Based Initiatives Inventory

Check out the report website phasocal.org
Thank you!

CONNECT WITH THE ALLIANCE

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PHASoCal.org | HealthyPlacesIndex.org

THANKS TO OUR FUNDERS
The California Endowment | Blue Shield of California Foundation
Our Mission: To shift the way organizations work across the health, community development, and finance sectors to collectively advance equity, reduce poverty, and improve health in neighborhoods across the United States.

We are a program of the Oakland-based Public Health Institute. Organizations and leaders across sectors turn to BHPN for thought leadership, guidance, and support in advancing cross-sector partnerships that more effectively invest in neighborhoods, address SDOH, and improve health.
THE BUILD HEALTHY PLACES NETWORK

First of Its Kind Service Providers

- Connecting community development financial institutions (CDFIs), community development corporations (CDCs), social service and health organizations
- Connecting investors to SDOH opportunities

Specialties

- Mapping, connecting to, and building on existing cross-sector initiatives
- **Making the case** for cross-sector partnership
- **Fostering and managing** meaningful connections between community development and healthcare organizations that are mission-aligned
- **Convening** and **training** community development and health leaders for project development and co-investment strategies.
Principles for Building Healthy and Prosperous Communities

Principle 1: Collaborate with the community

Principle 2: Embed equity

Principle 3: Mobilize across sectors

Principle 4: Increase prosperity to improve health

Principle 5: Commit over the long term
What range of opportunities for partnership exist?
THE PLAYBOOK

- Who are the players, and what are their motivations and offerings?
- What do partnerships currently look like?
- How do partnerships develop?
- What are the barriers to partnership?
Community Development

Community Development is in the ZIP Code improvement business - a $200 billion sector investing in Social Determinants of Health in low-income neighborhoods.

The Community Reinvestment Act (CRA) was passed in 1977 as the anti-redlining federal law requiring all banks to meet the depository needs of low-income communities.

Community Development Corporations (CDCs) - not to be confused with The CDC in Atlanta - are nonprofit affordable housing developers and community-based nonprofits that invest in neighborhood revitalization. About 5,000 of these local CDCs exist across the country.

Community Development Financial Institutions (CDFIs) are private mission-oriented banks 100% dedicated to delivering responsible, affordable lending to help low-income people and communities. There are approximately 1,000 government certified CDFIs in the US.
• **Social Needs** intervenes at the Individual Level

• **Social Determinants** act at a community level.

• **Both** are important

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Castrucci & Auerbach – Meeting Individual Social Needs Falls Short of Addressing SDOH- Health Affairs Blog Jan 2019
# Range of Partnership Opportunities between Community Development and Health

<table>
<thead>
<tr>
<th>Thought Leadership/Advocacy</th>
<th>Community Benefit/Grants</th>
<th>Programs, Services and Social Enterprises</th>
<th>Co-location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Health Needs Assessments</td>
<td>Data Sharing</td>
<td>Investments</td>
<td>Land Swap or Property Donation</td>
</tr>
</tbody>
</table>

This builds off of Build Healthy Places Network’s report: 
*Partnerships for Health Equity and Opportunity: A Healthcare Playbook for Community Developers.*
58 affordable apartments and 2,500 sq ft job training center
Land swap and creation of the Vita Health and Wellness District
March 2018, Toledo, Ohio
ProMedica & LISC launch $45M partnership
Chicago and Cook County Flexible Housing Pool

- Supports a comprehensive housing system for homeless who are high users of services.
- Created by two public hospitals, city and county offices, the Chicago Housing Authority and several private-sector and philanthropic orgs.
- Chicago Department of Public Health provides critical advisory support.
- $8 million with a goal of $12 million.
- Funds $1,000/month housing subsidy and in-depth wraparound support services.
Network Project
Healthy Neighborhood Investments

• Promotes community development and healthcare partnerships as the go-to sustainable model in California for addressing the social determinants of health (SDOH) in low income communities and communities of color.

• Communities: Stockton, City of San Bernardino and Coachella Valley

• Scan of federal, state and local policies that influence, positively or negatively, cross-sector partnerships between community development and health

• Supported by Blue Shield of California Foundation
Thank you!

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Innovative Community Investment Strategies

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The Opportunity Ahead of Us

- The well-being of our communities is tied to how we invest in them
- COVID-19 will disproportionately harm those who are the most vulnerable to extreme financial challenges and housing insecurity
- This current moment has also underlined that housing is a fundamental need that is deeply intertwined with health outcomes
- Hospitals and healthy systems have been and are still taking action to invest more of their assets into communities
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:

– Help communities articulate and meet their affordable housing priorities

– Deepen and accelerate investment by health systems in affordable housing

– Help hospitals and health systems achieve their full potential as actors in the community investment system

Participants & Focus Regions

<table>
<thead>
<tr>
<th>Participants</th>
<th>Focus Regions</th>
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<tbody>
<tr>
<td>Bon Secours</td>
<td>Baltimore, MD</td>
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<tr>
<td>Mercy Health</td>
<td>Cincinnati, OH</td>
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<tr>
<td>Boston Medical</td>
<td>Boston, MA</td>
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<tr>
<td>Dignity Health</td>
<td>San Bernardino, CA</td>
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<tr>
<td>Kaiser Permanente</td>
<td>Prince George’s &amp; Montgomery Counties, MD</td>
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<tr>
<td>Nationwide Children’s</td>
<td>Columbus, OH</td>
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<tr>
<td>UPMC</td>
<td>Pittsburgh, PA</td>
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Using Investment to Achieve Social Ends

The scale of transformation needed in communities can’t be achieved through grants alone.

Tapping investment capital means:

- More dollars can flow to making the changes we want to see
- Precious grant dollars can be saved for things that cannot be funded in other ways
- More strategies can be used to solve the problems we care about

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<tr>
<th>Expense</th>
<th>Investment</th>
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<tbody>
<tr>
<td>Salaries</td>
<td>Buildings</td>
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<tr>
<td>Food banks</td>
<td>Grocery stores</td>
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<td>Housing vouchers</td>
<td>Affordable housing units</td>
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<tr>
<td>Workforce training</td>
<td>Loans to small businesses</td>
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<tr>
<td>Transit passes</td>
<td>Transit system buildout</td>
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<tr>
<td>Childcare subsidies</td>
<td>Early childhood centers</td>
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Approach in Action

South Side Renaissance Fund

$10,875,000
Senior Debt (3%)
CRA-qualified investments from local financial institutions

$2,550,000
Subordinate Debt (2.25%)
Affordable Housing Trust of Columbus and Franklin County

$1,575,000
Subordinate Debt (tbd)
Ohio Capital Finance Corporation (CDFI)

$1,500,000
Loan Loss Reserve
Nationwide Children’s Hospital

Arrowhead Grove in San Bernardino, CA
Lessons Learned

- **Form a Cross-Disciplinary Team**
  - Investing upstream benefits from the multiple perspectives of a cross-disciplinary team (internally and externally)

- **Develop a systems view**
  - Get beyond individual transactions to see the ecosystem

- **Seek Leverage**
  - Health systems can magnify their impact by deploying grants and loans strategically to foster investment by others

- **Harness Diverse Assets**
  - Systems can tap a variety of assets to facilitate upstream investment (land, resources, expertise, data)

- **Forge Partnerships**
  - Hospitals and health systems don’t have to work upstream alone; a range of partners can improve community health

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**Approach in Action: Purple Line Corridor (Prince George’s County, Maryland)**

Major transit investment in Prince George’s County, Maryland, threatens to displace existing Latinx communities as land values rise. Looking at the pipeline and enabling environment together built urgency and helped the AIHC team prioritize helping the County implement its Right of First Refusal for the first time. Now the team is considering financing options for expediting pipeline execution.
Learn More

Access the resources on our website:
centerforcommunityinvestment.org

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